Daily Report

Latin America

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FBIS-LAT-92-051 *16 March 1992*

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Venezuela

Defense Minister Ochoa said the Armed Forces would "flatly reject the intervention of any foreign country or organization, even if there is a new military coup," DPA reports. Ochoa is reported to have been reacting to statements made by the U.S. ambassador to the OAS, who is visiting Caracas. While antigovernment demonstrations continue in Merida, about 680 km from Caracas, NOTIMEX reports, most of the political parties represented in Congress reacted positively to the president's 12 March speech, according to Caracas TV.

Jamaica

Prime Minister Michael Manley announced on 15 March that he will resign because of his health, and a wish to end distracting speculation about the future. He has called a 28 March delegates conference of the People's National Party "to elect a new leader." Manley said he will convey to Governor General Howard Cook the party election results "along with my formal resignation as prime minister."

El Salvador

The Farabundo Marti National Liberation Front has said that the two members of the National Army for Democracy who shot downed U.S. Army officers David Pickett and Ernest Dawson on 2 January 1991 should be handed over to the Salvadoran legal system. The date for the transfer of the two fugitives, who reportedly have decided to surrender, remains to be set.

Cuba

Nuclear Energy Information Center Opened

FL1303145392 Havana Radio Rebelde Network in Spanish 1327 GMT 13 Mar 92

[Text] The Nuclear Energy Information Center, CIEN, has been inaugurated in Havana. Fidel Castro Diaz-Balart, executive secretary for nuclear affairs, explained the reasons for construction of the center.

[Begin Castro recording] The center was built, in the first place, so that scientific information could reach the user in an organized and expeditious manner, which means the appropriate and balanced acquisition of books and magazines and a propitious exchange of these items.

The second reason was to create a material and technical foundation to explain abroad our scientific results, programs, and policies in this area.

The third reason was to analyze the information published abroad on nuclear issues in order to learn of the programs in other countries and the more important subjects of interest.

Finally, it was built to coordinate with all sectors of the media in our country—press, radio, television, and others—to inform the people, in an objective way, of the realities of nuclear energy and effectively to counteract the campaigns of the enemy aimed at distorting our nuclear program. [end recording]

The latest computer techniques, books, videos, and update bulletins of the International Atomic Energy Organization are available to specialists, students, journalists, and other interested parties who desire to learn about the marvelous internal world of the atom.

March Energy Consumption Below Projection

FL1303145192 Havana Radio Progreso Network in Spanish 1200 GMT 13 Mar 92

[Text] Every day during the first 10 days of March, the nation reduced its energy consumption by approximately 226 megawatts hours from the projected total. The electric union reported that 10 provinces and the Isle of Youth excelled in complying with their consumption quotas. A note to this regard, published in the newspaper GRANMA, adds that Havana City, Havana, Matanzas, Cienfuegos, Villa Clara, Sancti Spiritus, Ciego de Avila, Las Tunas, Granma, and Guantanamo complied with the projected energy consumption quotas.

Zimbabwe Students Graduate as Science Teachers

FL1403150292 Havana Radio Progreso Network in Spanish 1100 GMT 14 Mar 92

[Text] Zimbabwean President Robert Mugabe has thanked his counterpart, Fidel Castro, and the Cuban people for sharing, with an internationalist spirit, the limited resources of the island in a teacher training program for the African country.

Mugabe officially welcomed the first 258 Zimbabwean students, who graduated as junior high school science teachers from the Isle of Youth, in a public ceremony held on 13 March in Harare, the capital of Zimbabwe.

Student Rally Marks 1957 Attack on Palace

FL1403010092 Havana Radio Reloj Network in Spanish 2032 GMT 13 Mar 92

[Text] Dozens of students from the FEU [Federation of University Students], the FEEM [Federation of Secondary School Students], and Pioneers in Havana are participating at the University of Havana's Ignacio Agramonte Square in the main ceremony on the occasion of 13 March. Carmen Rosa Baez, the president of the FEU's National Council, will be in charge of making the keynote speech on the occasion of the 35th anniversary of the attack on the former Presidential Palace and the takeover of Radio Reloj. FEU presidents from 1959 to the present are attending the main activities to mark the 13 March anniversary.

On a national level, Cuban students have celebrated the anniversary by working voluntary shifts in self-sufficiency gardens, agricultural camps, priority construction tasks, and the works damaged by the tropical storm along Havana's seawall.

At the Colon Cemetery in Havana, FEU students and family members of those who were killed 35 years ago paid homage to the martyrs of 13 March. Earlier, the university students and family members of those who fell during that heroic deed laid flowers before the pantheon of the internationalists and the Revolutionary Armed Forces, where the mortal remains of our heroes and martyrs lie.

Students from various centers of higher education have mounted an honor guard at the plaque to Jose Antonio Echeverria located at the corner of Universidad and L Streets, where the FEU's honorary president was killed.

Following Jose Antonio's historic speech, broadcast 35 years ago today, Matanzas Province students will pay tribute to the university student leader at the tomb in the Cardenas cemetery that contains his mortal remains.

Havana Notes Ukrainian Unease Over Arms Transfer

FL1403000492 Havana Radio Reloj Network in Spanish 2039 GMT 13 Mar 92

[Text] The Ukrainian Government removed another stone from the already weakened structure of the CIS, and above all from Russian supremacy, when it announced that the transfer of its tactical nuclear weapons to the largest of the former Soviet republics would be temporarily suspended. Ukrainian President Leonid Kravchuk said he feared that the weapons transfer operations would be done under unsatisfactory

security conditions. With this, he expressed his lack of trust in Russian organization and his desire not to yield to Moscow's dictates.

On another topic, the European Community already has a proposal for agricultural prices for the 1992-1993 season, in which they plan to freeze all tariffs, except those in the grain sector which will be reduced by 10 percent.

PRAVDA, the former organ of the CPSU, will temporarily be out of circulation starting on 14 March due to financial difficulties.

Antigua and Barbuda

Opposition Asks OAS To Investigate Abuses

FL1403005992 Bridgetown CANA in English 2132 GMT 13 Mar 92

[Text] St. John's, Antigua, March 13, CANA—Antigua and Barbuda's opposition parties have asked the Organisation of American States (OAS) to send a team here to investigate allegations of corruption and human rights abuse.

In a letter dated March 10 the parties called on the OAS "to permit a delegation from the OAS to visit Antigua and Barbuda to hear the views of those who feel threatened by corruption in government and the severe abuse of constitutionally guaranteed human rights."

The letter said "since the beginning of March there has been a spate of individual acts of violence, which all right-thinking Antiguans and Barbudans attribute to government seeking sympathy or wreaking spite on those the government normally scapegoats."

The opposition coalition comprises Baldwin Spencer's United National Democratic Party (UNDP), Tim Hector's Antigua-Caribbean Liberation Movement (ACLM) and Robert Hall's Progressive Labour Movement (PLM).

They are campaigning for the resignation of Prime Minister Vere Bird Sr., who has been accused by the ACLM-linked "OUTLET" newspaper of financial impropriety.

Bird has denied the charge.

The opposition parties' letter made reference to the use of teargas by the police to disperse picketers - who had been calling for the prime minister's resignation - outside Parliament last month.

"They used teargas and rubber bullets to disperse the picketers who had committed no act of violence and who had not disturbed the peace," the letter stated.

Reference was also made to the barring of an opposition senator from leaving the country one day after the picket outside Parliament, the size of the police force at Parliament during the budget debate and the non-appointment of an ombudsman.

"For ten years the Bird government has refused to implement the constitutional provision providing for ombudsman.... the government has not appointed a public accounts committee to examine expenditure of public funds," the opposition parties complained.

The letter added that "so large and intimidating was the police contingent outside Parliament (during the budget debate), that it rembled a war zone."

Haiti

Ratification Session Postponed to 18 Mar

FL1603131292 Port-au-Prince Radio Tropic FM in French 1130 GMT 16 Mar 92

[Text] The vote on the Washington agreement has been postponed again.

The calling of a National Assembly session for the ratification or the rejection of the Washington agreement has been postponed once again. It is now scheduled for 18 March 1992. This decision was adopted yesterday afternoon by the senators who met in camera to come to a decision on the question.

This session was originally scheduled for today, 16 March.

Release of Text of Convocation Expected by 14 Mar

FL1303162792 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 13 Mar 92

[Report by correspondent Jean-Marie Erinac]

[Excerpts] The Haitian Parliament will meet in National Assembly on 16 March to say "yes" or "no" to the 23 February agreement signed between Father Jean-Bertrand Aristide, Rene Theodore, Dejean Belizaire, and Alexandre Medard. According to Senator Dejean Belizaire, the official text for the convocation of the Haitian Parliament in National Assembly will be issued tomorrow, 14 March, at the latest. The Conference of Presidents of the Chamber of Deputies asks that the meeting in National Assembly be held on Monday, 16 March. We invite you to listen to a report by Jean-Marie Erinac.

[Begin recording] [Erinac] [Passage omitted] Senator Dejean says that they are preparing the official text of the convocation which will be issued on 14 March at the latest.

[Belizaire] We are taking all steps so that the National Assembly meeting can take place on 16 March and the official text for the convocation will be published on 14 March at the latest.

[Erinac] Will the ratification take place the same day?

[Belizaire] You know very well that it is the agreement that will be submitted to the parliamentarians, deputies, and senators gathered in National Assembly. They will have to give their verdict on the agreement, saying

whether they accept or reject it. The formality...[pauses] the procedure of ratification is a procedure of acceptance or rejection.

[Erinac] The Conference of Presidents of the Chambers of Deputies advises that it has formally acknowledged willingness, reaffirmed by the executive power during the 11 March meeting, to accommodate a process that could lead to a favorable solution to the crisis. According to the Senate president, there is no inclination to antagonism between the executive and the Parliament. Senator Belizaire has noted a willingness from the members of the interministerial committee to reach a solution to the crisis. [passage omitted]

The Conference of Presidents of the Chamber of Deputies encourages the continuation of talks between the Parliament and the ministerial committee prior to 16 March to obtain a smooth transfer of power as sought by the provisional power and stipulated in the 12 March communique.

When asked when a new meeting will be possible between the Parliament and the ministerial committee, Senator Belizaire stated: It is up to the committee to set the dates for new meetings. Senator Belizaire thinks that haste could prevent success, but the senator says that he agrees with the agreement that he signed and believes in the guarantees contained in this document. [passage omitted] [end recording]

Ministerial Committee To Meet With Presidents

FL1303202292 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 13 Mar 92

[Text] The ministerial committee, made up of the ministers of interior and national defense; foreign affairs and worship; and public works, transport, and communications, which the government had established for meeting with the Parliament, will meet today at the National Palace.

This means the Senate and Chamber of Deputies presidents will meet with this committee this morning at the National Palace.

Jeanty Criticizes Agreement, Parliamentarians

FL1303205392 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 13 Mar 92

[Excerpts] Another reaction that has been voiced over the Washington agreement is that of the Reverend Richard Valadimir Jeanty, who says he denounces the 23 February 1992 agreement that was signed in Washington. In his opinion, this agreement is not constitutional. Rev. Jeanty thinks an agreement that jeopardizes national sovereignty must not exist.

[Begin Jeanty recording] We think that we do not even need to assess this agreement, that we do not even need to look into it as to its value, its legal value, its political value. We do not even need to analyze it to see what is good and what is not good in it, because if we want to do so, this means we grant it the right to exist. Once we examine what is in it, we give it the right to exist. Thus, it is something that we must completely reject as nothing but a violation of the Constitution. We need not look at it at all. [end recording]

The leader of the Haitian Party of God asks for the arrest of those who signed the agreement for violating the Constitution. Vladimir Jeanty also believes that the deputies and senators must not meet in a National Assembly session on this matter. [passage omitted]

Rev. Jeanty says all those who are seeking Aristide's return will finally lose because they represent the forces of evil mentioned in the Bible.

UPD Urges Parliament To Ratify Agreement

FL1303210992 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 13 Mar 92

[Text] The Union of Democratic Patriots [UPD] urges the Haitian parliamentarians to ratify, as soon as possible, the agreement that was signed in Washington on 23 February 1992 between the various sectors concerned by the Haitian crisis. According to UPD Secretary General Rockfeller Guerre, the provisional government and all sectors in the country must get together in order to free Haiti.

[Begin Guerre recording] After keeping silent for several months, despite all the events that have been turning the country upside down since 16 December [1990 elections], we have decided today, as UPD president, to speak on behalf of all UPD partisans and all the party's friends. We ask the parliamentarians to ratify the agreement as soon as possible and find a way, jointly with the current government, to put an end to this crisis. This situation has been wreaking havoc upon unfortunate men and women for over five months. It is profitable to a small group of opportunists who keep sucking the people's blood through smuggling and the black market.

If the UPD asks for the ratification of the agreement, it is not because we agree with it; nor is it because we agree with all the crooked dealings that have been made and that have succeeded in bringing the nation to its knees. If we accept holding our nose and drinking this dosage today, it is because we believe the country cannot continue to remain in the hands of a small group of ambitious men who are lining their pockets while all the people suffer.

The UPD urges all its members and supporters to remain mobilized while waiting for the vote of the Chamber. [end recording]

Human Rights Violations by Military Reported

FL1303204492 Port-au-Prince Radio Metropole in French 1700 GMT 13 Mar 92

[Text] A report on human rights violations in the country during January has been issued by the Haitian Center for

the Defense of Public Freedom, CHADEL. CHADEL is a political organization founded by current Prime Minister Jean-Jacques Honorat.

According to CHADEL, the military committed 90 human rights violations in Haiti during January. Those violations include shooting to death six alleged thieves, murdering the bodyguard of Prime Minister-designate Rene Theodore, and torturing to death in prison an overthrown president's partisan in Cayes in the southern part of the country. Twenty-eight persons, including several alleged partisans of the overthrown president, have also been shot by soldiers.

CHADEL, founded by Jean-Jacques Honorat, also regrets that the international press has only mentioned in a passive and discreet manner the overthrow in Georgia and in Algeria, by military force, of two elected presidents, just as it did with Haiti.

CHADEL feels indignant that, quote: No embargo, nor any punitive expedition, was proposed because those countries are rich in oil and uranium, and Haiti is only an impertinent pack of blacks gesticulating in one of the smallest and poorest countries of the world. Democracy knows well how to choose its target and qualify its critics. Unquote.

Jamaica

Prime Minister Manley Announces Retirement

PA1503205192 Madrid EFE in Spanish
2011 GMT 15 Mar 92

[Text] Kingston, 15 Mar (EFE)—Jamaican Prime Minister Michael Manley announced on 15 March in a message broadcast on national radio that he will leave power on 28 March for "health reasons."

Manley, 67, explained that on 28 March the People's National Party (PN), which he heads, will meet to elect a new leader.

The Jamaican politician, who has headed the government for three terms (1972-1976, 1976-1980, and from 1989 to the present), has had five operations over the years and it has been rumored that he would tender his resignation before the end of his term.

Although his first two government terms, between 1972 and 1980, were characterized by the nationalization of enterprises and close relations with Cuba, during his last term there was a rapprochement with the United States and he favored private investment and the entrance of foreign capital.

Succession Battle Heating Up

FL1403003592 Bridgetown CANA in English
1951 GMT 13 Mar 92

[Article by Paget de Freitas]

[Text] Kingston, Jamaica, March 13, CANA—With Michael Manley no longer intent on anointing his successor, the battle has been joined here among some of the contenders for the leadership of the governing People's National Party (PNP).

The names of P.J. Patterson, Hugh Small, Portia Simpson, and Dr D.K. Duncan are turning up regularly in newspapers and on radio, giving interviews, making speeches and providing copies for the political analysts.

They have been canavassing party groups and leadership bodies.

Political pundits say it is no longer a question of whether - despite Manley's own confusing signals - but when the 67-year-old prime minister will depart.

And the assumption is it could be sooner rather than later.

In fact, speculation is rife that Manley will use a meeting Sunday of the party's parliamentary group to give a definitive timetable for his retirement, formally launching the leadership race.

"I would be surprised if Manley stays on as party leader until the party conference in September," said a top PNP official.

"He could very well call a special delegates conference before then to elect a new president."

Manley, who has has been president of the 53-year-old party since 1969, has publicly played a cat-and-mouse game over the timing of his retirement.

When the PNP returned to office in February 1989, after nearly a decade in opposition, his officials said that it was the last time he would lead the party in a general election, suggesting that he was staying on until 1994.

But by 1990 his health had become an issue. First he had an operation for diverticulitis, and then to remove a cancer on the prostate gland. In between that, Manley was hit by a bout of pneumonia.

For a long period it was Patterson, the party chairman, and at the time Manley's deputy prime minister, who ran the government.

Despite not being his past robust self, Manley has for more than a year now enjoyed relatively good health and looks trim and fit for a man his age. And only in January, he again assumed the role of a man firmly in charge.

With his government wracked by controversy over the granting of a duty waiver on unleaded gasolene imports by Shell Oil Company, he demanded the resignations of his ministers and named a new cabinet.

In a radio broadcast Manley dismissed a suggestion of an early election, saying the government would concentrate and consolidate the economic reforms it has been implementing over the past three years.

The major casualty of the Shell scandal was Patterson, who, under pressure for having signed the waiver, asked not to be considered for a post.

Until then, the party chairman who Manley left little doubt would be his choice, seemed a sure bet for the PNP presidency once the incumbent left. It seemed significant that Manley did not name a deputy prime minister in his new government and many of the pundits here argued that he was allowing time for Patterson's rehabilitation.

Small, who succeeded Patterson as finance minister, and who is considered by party insiders to have done much to unseat him during the Shell crisis, is from an intellectual standpoint considered to be the strongest candidate.

Moreover, he has been able to shed his leftist image of the 1970s and to emerge as probably the government's strongest proponent of the current free market policy.

His tough stance in curbing government spending and attempting to squeeze inflation out of the economy have won, even if grudgingly because of the painful impact, significant plaudits.

But as Stone pointed out, he is considered aloof "and lacking in either charisma or genuine grassroots political appeal, and he could be hurt" if his economic programme is unable to bring long-term stability to the Jamaican dollar.

Manley Press Conference 15 Mar

FL1603135692 Bridgetown CANA in English 2035 GMT 15 Mar 92

[Article by Paget de Freitas]

[Excerpts] Kingston, Jamaica, March 15, CANA—Michael Manley will be resigning as Jamaica's prime minister in two weeks time after his People's National Party (PNP) has chosen a new leader.

Manley, having earlier outlined his retirment plans at a meeting of the party's National Executive Council, confirmed to reporters that he has called a delegates conference on March 28 "to elect a new leader".[passage omitted]

The prime minister, who gave his health and a wish to end distracting speculation about the future for his decision to leave at this time, said immediately as election results were known he would convey them to Governor General Howard Cook "along with my formal resignation as prime minister".

"The governor general will then proceed within the terms of the Constitution to name the new prime minister who will, in turn, name a new cabinet and other members of the political directorate," Manley said in the text prepared for broadcast.

The prime minister emphasised to journalists that he was not being forced out of the party leadership.

"I am happy to say that there is no pressure for me to go," an obviously emotional Manley said at a briefing in which he reflected on 47 years in public life.

But he said that his decision was concretised by the recent bout of speculation over his future.[passage omitted]

It was bad, Manley said, for Jamaica to be in a state of speculation "for longer than necessary".

He decided to resolve the matter once and for all when it was clear that he could not kill such speculation with a declaration that he would lead the party up to the next election.

Manley had five major operations in recent years for diverticulitis, to remove a benign goitre and for cancer of the prostate.

Manley said he had dealt with those quite well by increasing his exercise, and according to the prime minister, the most telling blow to his health was a bout of pneumonia he contracted in 1990.

"I lost one third of my lung capacity and frankly, since then, have not had the same stamina," Manley said in the text of his broadcast message.

Earlier, Manley got rapturous applause as he entered the big conference hall at the Jamaica Conference Centre.

Delegates sang party songs and hymns.

Manley emphasised that the PNP had to continue its free market policies, a point he reiterated to journalist later.

He was introduced by party chairman, P.J. Patterson, the former deputy prime minister and one of the candidates for the job.

After Manley's address, the sources said Patterson told the crowd that the PNP would organise ceremonies "to say thank you to Michael Manley in a manner which would be in keeping "with how everyone would want to do so individually".

Manley, smiling as he left the conference hall, was surrounded by several supporters on the short walk to the press briefing room, and the same scene was repeated as he left the conference centre.

He was hugged and kissed by ladies; he shook hands with and was bear-hugged by men. [here follows CANA take four. CANA take three not received] [passage omitted]

Manley, who has declared "absolute impartiality" in the contest, made no direct reference to the personalities involved.

But he said he insisted that "nothing happens that in any way affects the unity of the party".

He said that "there is absolutely no room" for a winning candidate to change the party's policy, although there would be some room on issues of implementation and prioritising.

In fact, Manley said, all the candidates would repeat their support for the present policies which, they, in any event, helped to fashion.

El Salvador

FMLN: Killers of U.S. Officers To Testify

PA1303223992 San Salvador Radio Cadena YSKL in Spanish 2050 GMT 13 Mar 92

[Report by Raul Beltran]

[Text] Good afternoon, listeners of Radio Cadena YSKL. We draw your attention to this report, which has been duly confirmed by this station.

On 2 January 1991, a U.S. Air Force helicopter overflying Lolotique in northern San Miguel Department was shot down by the Farabundo Marti National Liberation Front [FMLN]. In the resulting crash, U.S. Army officer Daniel Scott was killed, while officers David Pickett and Ernest Dawson were seriously injured. After the crash, according to witnesses from Lolotique, local residents removed Scott's body, as well as Pickett and Dawson, from the helicopter. A few minutes later, members of an FMLN patrol that had shot down the aircraft arrived at the crash site and shot Pickett and Dawson to death.

The case has commanded attention again. On 13 March the FMLN, wishing to show its willingness to comply with the peace agreements and to (?correct) the actions that were condemned by the Salvadoran justice system, the government, and the United States, said that two of its men, known as Porfirio and Dominguez, who are also members of the National Army for Democracy, have expressed the desire to be handed over to Salvadoran legal system, a decision of which the Salvadoran authorities are fully aware. The FMLN said that the two men will testify voluntarily, but that several options were first studied so that the two men responsible for killing the Americans could have a fair trial.

The FMLN also said that to ensure a fair trial, they reported this decision to Justice Minister Rene Hernandez Valiente a few days ago. The various options considered included trial by the Salvadoran legal system. Meanwhile, the two men were temporarily handed over to the Swiss Government. This afternoon, the FMLN confirmed that the U.S. Congress was contacted on 5 November 1991 so that the members of Congress themselves could learn of the options presented by the FMLN with regard to its two combatants. The congressmen presented two options of their own, the guerrillas have reported: 1) Porfirio and Dominguez could be tried in the United States; 2) they could be turned over to the Salvadoran justice system. Representative Moakley, who has also significantly participated in the talks with the rebels, favored the latter option.

With this, the FMLN clarifies its stand with regard to Porfirio and Dominguez, who, according to the FMLN, should be handed over to the Salvadoran legal system. Only the date and time for the two men to be handed over to Salvadoran authorities remain to be set.

Decision To Surrender Supported

PA1403230492 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 14 Mar 92

[Press bulletin issued by the office of the Farabundo Marti National Liberation Front, FMLN, in San Salvador; read by Comrade Marvin—live]

[Text] 1. The FMLN hereby publicly states its resolve to support the decision of the two former National Army for Democracy fighters who have been accused of murdering the U.S. military advisers. They have decided to voluntarily surrender to the Salvadoran judicial system.

2. From the time of the murders, the FMLN has held national and international consultations to find options for a fair trial for the defendants. Among other things the FMLN sent a letter to Justice Minister Rene Hernandez Valiente, informing him of the FMLN decision to have the case prosecuted by the Salvadoran judicial system once the cease-fire was signed and guarantees of a real transformation within the Salvadoran judicial system were realized. The FMLN also asked the Swiss Government to hold temporarily the two defendants.

The FMLN also consulted U.S. congressional representatives. On 5 November 1991, 100 U.S. congressmen sent a letter to the FMLN presenting two options to resolve the case definitively. The first option was to refer the case to the U.S. judicial system; the second option was to refer it to the Salvadoran judicial system. The FMLN chose the second option and now supports it. We acknowledge the important role and efforts of Representative Joe Moakley in ensuring justice in this case.

3. The surrender represents an effort by the FMLN to contribute to the consolidation of the national reconciliation process, which demands adherence to the new legal framework that ensued from negotiations carried out by the people of El Salvador.

We believe this decision will be supported by every sector of national life that seeks truth, justice, and reconciliation.

Cristiani Comments on Visit by UN Official

PA1303155992 San Salvador Canal Doce Television in Spanish 0300 GMT 12 Mar 92

[Text] President Alfredo Cristiani stated during a news conference that the work session held with UN Under Secretary General Marrack Goulding was very positive because several aspects of the country's peace process were discussed. According to Cristiani, the presence of the UN official in El Salvador will help correct the problems that have arisen during the implementation of the peace accords.

[Begin Cristiani recording] The whole issue is related to compliance with the agreements. We analyzed the problem areas to try to solve the existing problems. Mr. Goulding's arrival will help us conduct an audit, as it

were, of the current state of the process, and detect the problems and find ways to correct them to move forward in this process. [end recording]

Commenting on the controversial issue of the dissolution of the National Guard and the Treasury Police, Cristiani again said the government and the Army are fully abiding by the agreement on this issue. He said the dissolution has not yet been completed and the Farabundo Marti National Liberation Front [FMLN] is aware of this.

[Begin Cristiani recording] The accord says they are to be dissolved as public security corps. It does not say total disbandment. The reduction agreement mentions the creation of a specialized border patrol and military police unit. The FMLN and the United Nations know this perfectly well. They know the headquarters of the National Guard will now be the headquarters of this unit, and this new Armed Forces unit will remain there. I do not understand the problem some people have. [end recording]

The president expressed the hope that Mr. Goulding's presence will help resolve the problems of the illegal land takeovers, the gathering of FMLN forces in 15 designated sites, and the guerrilla's weapons inventory.

Santamaria: FMLN Failed in Negotiations

PA1403024392 San Salvador EL DIARIO DE HOY in Spanish 13 Mar 92 pp 3, 75

[Text] Oscar Santamaria, Salvadoran Presidency minister and head of the government delegation to the dialogue, said on 12 March that the FMLN [Farabundo Marti National Liberation Front] failed at the negotiations. Santamaria was explaining the scope of the peace agreements to approximately 50 businessmen summoned by the American Chamber of Commerce in El Salvador (Amcham).

"In the Chapultepec agreements the FMLN agreed to do what it never wanted to do: disarm and demobilize within a nine-month period," Santamaria said.

He also stated that the Salvadoran people achieved a great deal with the Chapultepec agreements: the end of the armed conflict and the disappearance of the FMLN as an armed group.

Santamaria explained to the businessmen that the FMLN did not manage to reform Article 248 of the Constitution, which defines the constitutional reform mechanism, or Article 105, which establishes the maximum amount of land that an individual can own.

"Neither did they manage to change Article 211, which stipulates that the Armed Forces comprise a permanent institution, nor did they introduce popular consultation called a 'plebiscite' as a constitutional reform mechanism," the official said.

Santamaria said that although, as a result of the agreements, the Armed Forces role has been limited to safeguarding internal sovereignty and defending territorial integrity, it will remain among the country's institutions.

Another FMLN failure at the negotiations, Santamaria said, was that it ended up without quotas for participation in the new Civil National Police or in the ranks of the Armed Forces.

"The FMLN has no quota, percentage, ceiling, or floor in the Civil National Police; it has none, none, none of those things," Santamaria stressed.

He added that the FMLN had spoken about incorporating 300 of its members into the Armed Forces; they wanted a third of the Civil National Police, and to be given ownership, free of charge, of farm land that they had taken by force.

"None of these things remained in the agreements," Santamaria said.

He explained that the land abandoned by the owners during the conflict can be sold only to the peasants that worked it during that period, as long as the owners agree to sell them.

"If the legitimate owner of a piece of land does not want to sell the land, it must be returned to him," Santamaria categorically stated.

Santamaria said that, likewise, land takeovers directed by the FMLN are a flagrant violation of the peace agreements.

He added that the subversives also failed in their attempts to reform the economic program and the national reconstruction plan.

Vargas Explains Reduction of Armed Forces

PA1403162392 San Salvador TCS Television Network in Spanish 1200 GMT 13 Mar 92

[Interview with Deputy Defense Minister Mauricio Vargas by unidentified reporter at the TCS Television Network studio in San Salvador on the "Frente a Frente" program; date not given—recorded]

[Text] [Reporter] General, let us discuss an important issue that has generated negative opinions from different sectors. I am talking about the dismantling of the National Guard and the Treasury Police, as well as the transformation of these organizations; and the creation of a military police and a border guard. The Farabundo Marti National Liberation Front [FMLN] has criticized all this, and has said the agreements were written not that things would be conducted in such a manner, but rather that the National Guard and the Treasury Police would be virtually dissolved. The FMLN believes the only thing that has been done is a name change for those organizations, because they continue to be organized in

the same manner. I would like you to give me the Army's point of view so we may clarify these issues.

[Vargas] Well, in the first place I will try to say, not what the Armed Forces think, but what is written in the agreements. There is a wording and a spirit behind those agreements. Regarding the wording of the agreement, it clearly states the following: In keeping with the constitutional reform resulting from the Mexico Agreements, the National Civilian Police [PNC] will be in charge of upholding peace, harmony, order, and public security in urban areas as well as in rural areas. The PNC will be under the direction of civilian authorities. The PNC and the Armed Forces will be independent of each other and they will be assigned to two different ministries.

All of this has been respected with the ratification of constitutional reform. The public security forces have been separated from the Armed Forces and have been assigned to the Presidency during the transition period. The National Guard and the Treasury Police will be abolished as public security forces and their members will be incorporated into the Army.

The agreements state: The National Guard and the Treasury Police will be abolished. What does abolishment mean? Let us consult the dictionary. It says that abolishment means to stop something. As you can see, the word abolishment refers to an action. The text says to abolish. The meaning is to stop something. To stop what? The functions of the public security forces.

To have some organizations and some persons talking about the abolishment of public security forces or about their dissatisfaction with public security forces...[pauses] they will always be dissatisfied because they were looking for the abolishment of the Armed Forces. They were looking for the total dismantling of the National Guard and the National Police. They wanted to create chaos from this situation. For this reason, they will always be dissatisfied. Dissatisfaction and respect for the agreements are two totally different things. That is why we cannot accept that...[pauses] we cannot accept their dissatisfaction. We definitely cannot do that. Let them relish their dissatisfaction, that is not a problem. To have them say the agreements are not being respected is something I definitely cannot accept. To abolish means to stop something. To stop what? To stop the functions of the public security forces.

The agreement says: Its members will be incorporated into the Army. What does incorporation mean? To incorporate means to unite two or more things to make one whole. That is the meaning of incorporation when it refers to things. When incorporation refers to people, it means to assign them to bodies or units to which they are supposed to lend their services. What is the government doing? The government is uniting two or more things to make a whole, to assign its members subsequently to units or bodies to which they are supposed to lend their services. That is the meaning of incorporation. Incorporation is not abolishment, as some persons have been saying. They want to solve problems in an ideological sense, but it cannot be that way. Something has been written down and it must be respected. So, what is happening? Well, we have seen things in an isolated manner. Let us now see it as a whole. As a whole, what happens is concretely this: The Armed Forces are entering into a total reorganization. This reorganization has basic elements, such as the separation of public security forces, their reduction, and their new mission. Why do we talk about a whole? This part of the reorganization is the separation of public security forces. This includes security bodies. Very simply, these members of the public security forces will be reassigned on 2 March. The FMLN want to make people believe the National Guard is intact, that the National Guard will remain intact; that the Treasury Police is intact and that it will remain intact. There is a reduction in the Armed Forces.

[Reporter] Is the National Guard included in this reduction?

[Vargas] Of course it is, because they have already been incorporated into the Army. There is an average of 62,000...[pauses] 61,217 members, of which 50.2 percent will be reduced. There were between 13,000 and 14,000 men in the public security forces, to be precise. The only thing that was left was the National Police with 5,800...[pauses] 5,750 members. This means that nearly 8,000 members have been reassigned.

These 8,000 members, representing approximately 50.2 percent of the original amount, will undergo an additional 60- or 70-percent cut. If, originally we counted 60,000 members, but now count only 28,000; 30,000; or 31,000 members, then it is easy to understand the need to reorganize and restructure the military institution.

We brought up the issue of border protection during the peace talks. Specifically, it was discussed in Queretaro, afterward in Carabayeda, and later in Paraiso Radison. Someone, I do not recall who, recently said this was never discussed. The new reformed Constitution specifically says the Armed Forces are empowered to safeguard the integrity of the territory, as well as national sovereignty. The integrity of the territory and national sovereignty are directly linked to our borders. It makes no difference whether these borders are land, sea, or airspace. They are part of our national sovereignty and territorial integrity. That is a constitutional mission. A drastic reduction is taking place. Therefore, a reorganization is in order because they have separated, they have been reduced, and there is a new constitutional mission. When these people say they were not aware of this, it is simply not true. [Words indistinct] is a nightmare. Whether they agree with it is another thing. That was not included in the negotiations because it is not open to negotiation. It was not negotiated and was, therefore, not included in any part of the peace agreement documents.

It was documented, however, at the United Nations. We have the document right here, titled as follows: Border Protection Units and Military Police. It is all documented here. Therefore, it is not right for them to say

now that the agreements are not being honored. As I said before, there is a restructuring process currently taking place. Subsequently, the military police will not have anything to do with the civilian population. It is a military-administrative function. They are trying to make it look like another police body. They have even said that border protection is the responsibility of the police. I believe that the term border protection includes customs and immigration control; they are either naive or trying to be crafty. Let us be serious now. We are talking about border protection from a geopolitical point of view. Therefore, it is incorrect for them to say that function belongs to the police, because it entails car searches, customs, immigration, and so forth. We are definitely not referring to a border pass. Neither are we talking about military police that will interact with the civilian population. We are not referring to that either.

Where does all of this fit in? Within the context of a reorganization. Did they not ask for an Armed Forces restructuring during the negotiations? Is this document not titled: Armed Forces Restructure During Peacetime? The Constitution authorizes the government to reorganize the Armed Forces according to the mission they must fulfill. It would seem as though certain organizations are playing the FMLN's game. Because the FMLN has not followed the peace agreements, it has decided to confuse this whole situation. They state they do not know what the military police is. I definitely do not understand what their game is, and I am quite confused when they come up with this type of position. Look, let us spend our time working for peace. So far, the peace agreement has given us a basic peace. We still do not have a definite peace. The peace agreement has established the guidelines to obtain a definite peace. Let us now seriously and responsibly work toward cementing peace by strengthening the social, economic, and political sectors of our country in freedom and respect for the law. Let us try not to distort everything that is being done by saying it is a violation of the peace agreements. What is even worse is they do not even mention the real agreement violation. Instead, they resort to creating alleged violations. I say these alleged violations are groundless.

In order for our television viewers to be clear on this issue, I repeat the troops will become part of the Armed Forces and will subsequently undergo drastic cuts. I believe they will undergo a 60- or 70-percent cut. Of 8,000 members, only 2,000 will remain. There is a reorganization taking place. It will be reorganized for border protection and military patrol. It has not even been organized yet. We have recently started to implement it, and they are already saying that we have done this, that, and so forth. It is simply not true. These members have become part of the Armed Forces and will be reorganized, and there are specific guidelines we must follow. The military police has absolutely nothing to do with the civilian population. The National Guard and the Treasury Police have no public security duties as of 2 March.

At a given time and in a perverse manner, they still say: The worst part is that they are still operating, and the worst thing is that this was not mentioned in Annex C. It is not mentioned in Annex C because this was agreed in New York where the agreements were practically completed.

It is possible to correct this at a given moment, but they should not say it is a violation by the government, or a trick by the Armed Forces, because that is definitely not true. That is not acceptable because it confuses the people and we must speak clearly to the people about what we are doing, where we are going, and why we are doing it.

[Reporter] General, at several points in our interview you mentioned we should work for peace. When Facundo Guardado [Popular Revolutionary Bloc member] was with us on 9 March, he said there was a sector in the Army trying to minimize the agreements and trying to prevent fulfillment of the agreements so that we will return to the old scheme. He mentioned three names: Bustillo, Staben, and Colonel Ochoa. I would like you to clarify this point on the part of the Armed Forces. He said they should be on international missions in other countries, but they are here in our country, working to keep the agreements from being fulfilled.

[Vargas] In the first place, I have said these persons come here with ideological speeches but no concrete realities. It is not true Col. Staben is here. That is not true and we can prove it. Gen. Bustillo is retired and Col. Ochoa is the president of the Lempa River Hydroelectric Executive Commission. Guardado says they will minimize the agreements; I do not know how they can be minimized. I really do not know.

This is the will of our country's government and no one should continue to try to create mental fixations about the Armed Forces. The Armed Forces is an institution that paid a political and military price. The political price was paid during the process, by accompanying the government delegation and accepting everything included in the agreements regarding the Armed Forces. The military price was paid with blood and death. It defended the country's institutions and supported the consolidation of the democratic processes started in 1984.

This person cannot say those things about the Armed Forces, because it is contrary to everyday reality. He cannot tarnish that reality with words.

Many things are said here. Some speak about the weapons and say the weapons have been bought—someone made statements from Spain and said the weapons were bought from the Army. That is completely untrue. It is totally false because we all know Fidel Castro's role as mentor in this process. First, he ordered the five groups to unite in exchange for his getting them contacts and logistic support from the communist states at that time. If you can recall, that is where the Unified Revolutionary Directorate, first, and later the FMLN came from.

They say the weapons were sold. That claim cannot endure the slightest analysis, because the Fal Belgian assault rifles, Galil Israeli assault rifles, M-16, AR-15, Uzi, 30-mm and .60-caliber machine guns, M-69 grenade launchers, and Chinese RPG's all appeared during the offensive of 10 January 1981. Those weapons were not in the country's arsenal, much less in the hands of the Armed Forces. How could we sell something we do not have? In their statements they talk about the sale of the weapons and so forth. Now, we must say how those weapons got here.

In April 1980, representatives of the GDR, Bulgaria, Poland, Vietnam, Hungary, and the USSR meet at the Hungarian Embassy in Mexico. That is where the request to all these communist states was consolidated. That is what I said about the Unified Revolutionary Directorate and the FMLN. Fidel Castro told them, approximately in 1979-80, that in April 1980 there would be a meeting at the Hungarian Embassy in Mexico.

On 28 April, Handal coordinated the use of these resources in the interior of the country. On 8 May 1980, there were several meetings with Fidel Castro, GDR President Honecker, who is now sick at the Chilean Embassy in Moscow, the chief of the Clandestine Operations Unit of the Cuban Interior Ministry, and the chief of communications of Cuba. On 30 May, Handal traveled to the USSR and the rest traveled to Nicaragua to coordinate with the Sandinists.

Between 2 June and 22 July 1980, still in the USSR, Handal is told to travel to Vietnam. He travels to Vietnam, GDR, Czechoslovakia, Bulgaria, Hungary, and Ethiopia. In the USSR, Handal met with Mr. Kudachkin, who was the chief of the CPSU Secretariat for Latin America. Handal is then sent to Vietnam, where he was greeted by Mr. Le Duan, secretary general of the Vietnamese Communist Party. (Xuan Thui), secretary of the party's secretariat was also there, as well as Van Quang, who was the deputy defense minister of Vietnam in those days.

That is where they received the first 60 tons of weapons, which were used on 10 January 1981. All this happened between April and July 1980, and the offensive was launched in 1981.

Now, they say we are blocking the agreements. We are minimizing the agreements, they say. I definitely do not know how they can be minimized. They say we have provided weapons to the guerrillas and sold them ammunition. They say we sold things we never had and that we still do not have in our arsenals, such as Soviet-made weapons. Even the M-16 and AR-15 rifles, which are the weapons we currently have, arrived in the country in 1983 or 1984. They appeared, however, in the country on 10 January 1981 during that offensive operation.

We cannot accept that they are now trying to confuse these things which we are very clear about. I believe we have already paid a political and a military price. We demand more respect for the institution and more seriousness in conducting the process because the truth is that lies may walk a hundred days, but the truth catches up in one day.

[Reporter] General, in this regard, the FMLN said recently the seizure of the 500-pound bomb that was supposed to be used to murder Colombian drug trafficker Cesar Gaviria [name as heard] confirms that the government was selling weapons to the FMLN and he said—and I will say it as Mr. Palencia said in Spain—it was corrupt military personnel who sold the weapons. How can we find a connection or disconnect this point about the bombs that were supposed to be sent to Colombia and which were stolen by a member of the Army?

[Vargas] I believe it is a scheme aimed at destroying the institution. We see that an individual sold something, therefore, through syllogism—that is all there is. Why do they not realize the institution assumes the responsibilities of its role, but it does not assume the responsibility of individuals? It takes individuals before the appropriate branches to solve conflicts of interest, such as courts, laws, and the tribunals in the country. The blame they are trying to put on the institution should be put on one single individual.

In this country, as I said, as of 16 January and 1 February, specifically, we must have respect for laws. All Salvadorans must have respect for the state of law. What happens is that they want to inflate the action of an individual and come up with ideological concepts. Then, since they have extensive rhetoric, they come up with phrases like the narcorightist organization. It even sounds good, so it appears in headlines and generates commotion, but they forget the effervescence is like Alka-Seltzer. It will only last five seconds. It will pass quickly because reality is in everyday life. They should forget about it because here, those who have sinned should pay for it; and those who have not sinned should not pay.

[Reporter] General, we have unfortunately run out of time. We hope that, at a proper or due moment, you will be willing to give us your statements. Thank you very much for being with us today.

[Vargas] Thanks to you for the opportunity to clarify some things. I am not the owner of the truth, but only of my own truth. I try to interpret things as author and participant in letter and spirit of this process. I must definitely tell you all that we must let the dogs bark at the moon. I am proud of being a professional soldier and a representative of my institution.

Government Issues Peace Agreement Communique

PA1403031492 San Salvador Radio Cadena YSU in Spanish 1800 GMT 13 Mar 92

[Report by David Rivas]

[Text] Mauricio Sandoval, presidential spokesman and information secretary, said that the Salvadoran Government has accused the Farabundo Marti National Liberation Front [FMLN] guerrillas before Marrack Goulding, UN deputy secretary general, of noncompliance with the peace agreements and requested acceleration of the National Civilian Police [PNC] process.

Sandoval said that the government has told Marrack Goulding of its concern about the guerrillas' noncompliance with regard to dates for concentrating in previously agreed upon places and the deficiencies in arms and troop inventories presented by the FMLN to the ONUSAL [United Nations Observers for El Salvador] mission.

Here is part of the communique read at the presidential residence by Information Secretary Mauricio Sandoval:

[Begin Sandoval recording] President Alfredo Cristiani received at the presidential residence Marrack Goulding, UN deputy secretary general, accompanied by the ONUSAL representatives to El Salvador. The following general points were discussed during this visit:

1. Mr. Goulding thanked President Cristiani for all the assistance and cooperation that the Salvadoran Government has provided ONUSAL while carrying out its mission, and offered special thanks to the government for the way it has complied with everything to do with implementing the Chapultepec Agreements.

2. With regard to an end to armed confrontations, the government has expressed its concern about the FMLN's noncompliance with concentration dates in the designated places and the FMLN's underreporting of arms and troop inventories.

3. The government clarified various points made with regard to the disbanding of the Treasury Police and the National Guard, emphasizing that the Salvadoran Government has acted within the letter and spirit of the agreements. With regard to security, all measures and actions have taken into consideration the defense and guarantee of security for the entire citizenry, which include contingency plans within the current scheme.

4. In keeping with the previous point, the benefits of accelerating the PNC transition process were discussed after dealing with certain logistical points that will provide an adequate timetable for creating the new police force.

5. With regard to the land, the government stressed the nonviability of the FMLN land inventories, firmly reporting that the FMLN-encouraged land takeovers violate the agreements. ONUSAL will discuss this noncompliance with the FMLN so as to deal with this serious and abnormal situation, which is an obstacle to the successful execution of the agreements.

6. The urgent need for a return to the institutional way of life in areas affected by the conflict was strongly emphasized. The FMLN has prevented the return to normalcy of these places by not allowing properly elected officials to take office.

Finally, the Salvadoran Government has made a formal request of Mr. Goulding to persuade the FMLN to comply with the agreements and allow the peace consolidation process to continue unimpeded. [end recording]

Mayors Report ONUSAL, FMLN Complicity

PA1403172092 San Salvador EL DIARIO DE HOY in Spanish 13 Mar 92 p 2

[Text] Mayors of La Union and Morazan Departments have reported that the UN Observer Group in El Salvador [ONUSAL] "apparently acts in collusion" with the Farabundo Marti National Liberation Front [FMLN] to destabilize municipal governments.

According to the mayors, in Anamoros, northern La Union Department, on 11 March, a FMLN group took over the mayor's office, threatened the mayor and employees, and looted the office, taking rubber stamps, typewriters, and desks. The rubber stamps were returned five hours later on request by a couple who wanted to get married, the sources said.

The FMLN men had warned that on 12 March "they would install their own mayor and police for the population's security." They also announced the installation of an office to start a group called CODELUM [expansion unknown].

The municipal councilmen said that Mayor Ismael Garcia asked ONUSAL for help to restore authority in the zone, but the ONUSAL observers only told him "to talk with the other mayor" imposed by the FMLN.

According to reports, in the northern sector of the eastern zone, FMLN members have seized all authority, overruling the mayors. In other instances, the FMLN has ordered the officials to return to their posts but to obey their instructions, the sources said.

"To report to ONUSAL the FMLN's abuses is like throwing salt into the sea, because the observers always side with the FMLN," the councilmen said.

Adela Ortez del Cid, mayor of Cacaopera; Coronado Lopez of Torola; Francisco Montiagudo of San Simon; Mercedes Santos Argueta of Joateca; Jose Gilberto Garcia of El Rosario; Fulgenco Vigil of Perquin; Tiburcio Vigil of Sensembra; Mirna Argueta of San Fernando; and Agapito Martinez of San Isidro, all in Morazan Department, have asked the authorities what to do "because no one listens to or helps them" and they feel "completely alone and abandoned."

In addition, Martin Velasquez Uceda of Poloros, Vidal Canales of Concepcion de Oriente, Julio Cesar Hernandez of Lislique, Etelbina Aurora Caceres of Nueva Esparta, Jose Ovidio Garcia of El Sauce, Ismael Garcia of Anamoros, Jorge Argelio Guevara of Pasaquina, and Ana Julia Fuentes of El Carmen, all of them in La Union Department, are concerned over the lack of authority in the area.

Dr. Toribio Quintanilla, general manager of the Institute for Municipal Development, holds ONUSAL responsible for incidents between legal authorities and the FMLN. Quintanilla pointed out: "These gentlemen, instead of doing their jobs of verifying compliance with the peace agreements, are fanning the fires of confrontation among Salvadorans, and this could lead to a dangerous situation."

He added: "Instad of staying in San Salvador talking with the FMLN leaders in air-conditioned offices, UN Under Secretary General Marrack Goulding should visit these places and learn for himself about the violations of the agreements by the FMLN."

The mayors who are having this kind of trouble have sent notices for help to President Alfredo Cristiani, Interior Minister Armando Calderon Sol, Raul Garcia Prieto, Dr. Oscar Santamaria, Dr. Quintanilla, ONUSAL leaders, and the Armed Forces High Command; but, they said, "no one has supported them."

FMLN Commander on Concentration of Forces

PA1503020892 San Salvador Radio Cadena YSU in Spanish 1800 GMT 14 Mar 92

[Report by Maria Teresa Fajardo]

[Text] Commander Facundo Guardado on 14 March said the end of the FMLN's [Farabundo Marti National Liberation Front] second concentration of forces will remain unsettled until the government decides to completely and properly comply with the agreements. Guardado, a member of the FMLN's political committee, demanded bilateral compliance witht the point regarding demilitarization. Guardado said proof of the FMLN's decision to continue working for peace is the decision voluntarily to turn over to the Salvadoran justice system former FMLN fighters charged with murdering two U.S. soldiers on the ground after their aircraft crashed in Lolotique, San Miguel Department. He added that he hopes for a fair trial.

[Begin recording] [Guardado] We are not linking the decision to a similar step by the Army. This affects all of us and we want the truth to be established. We want justice to prevail to serve as an example of the new path this country should take.

[Unidentified reporter] Where are the two guerrillas that took part in this incident? Were they under asylum abroad?

[Guardado] No, they have been on the war front under our control. In fact, it was their decision to face the courts.

[Reporter] What do you expect from Marrack Goulding's visit? [words indistinct]

[Guardado] We expect a positive outcome from Mr. Goulding's visit. The agenda under discussion these past few days includes demilitarization; forming the new National Civilian Police; the question of land, one of the most important points; and the separation of forces when dealing with demilitarization. We demand the demilitarization agreement be completely and properly complied with in letter and spirit. I believe that no Salvadoran who wishes to live in dignity and with guarantees for the future wants criminal and repressive elements such as the National Guard and the National Police to continue to exist as military corps. Demilitarization is basic to this phase of struggle by the Salvadoran people. Demilitarization will pave the way for a civilian society.

[Reporter] On 15 March the FMLN concentration of forces phase will reportedly be completed. Previously, the FMLN said that proper conditions had not been met. If the concentration is completed on 15 March, does this mean conditions are right for the FMLN to concentrate? [sentence as heard]

[Guardado] The concentration of FMLN forces remains unsettled. The FMLN is committed to compliance with these agreements. But we are not going to do so unilaterally. Both sides must fully and properly comply with the agreements. You should know that all National Guard posts have remained unchanged throughout the country. These forces have not only been transferred to the Army as Military Police and Border Police, but their members remain in position in all the villages and cities throughout the country. These troops must go to their garrisons as soldiers and not as military corps. We cannot unilaterally comply with the concentration of forces if the Army does not do likewise.

[Reporter] Do you expect the government to turn back on this decision?

[Guardado] No, there is no turning back in this process.

[Reporter] I was referring to the Treasury Police and the National Guard becoming Military Police and Border Police.

[Guardado] The government will not turn back on its own, but we will make them turn back—Salvadorans who want changes in this country—whether the government wants to or not.

[Reporter] Has Marrack Goulding made some sort of appeal to this effect—for the return to some intermediate point? [words indistinct]

[Guardado] Goulding is here to ensure that the land problem is negotiated as set in the agreements and that this issue be resolved without further confrontation. It is clear that compliance with these agreements requires much effort and struggle by the people. [end recording]

Commentary Charges Government Noncompliance

PA1303213792 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 13 Mar 92

[Station commentary]

[Text] Tuned to a single thought, President Alfredo Cristiani, Vice President Francisco Merino, and General

Juan Orlando Zepeda have said that the peace agreements are being implemented.

Cristiani has gone further and said that the peace process is not in crisis. It is evident that the government, as the saying goes, is killing the dog on time, in view of the visit of Mr. Marrack Goulding, UN undersecretary of operations. The government wants to be seen by the UN official as faithfully keeping its word, but the government has disregarded the poor way in which the agreements are being implemented. They have disregarded the displeasure of the Salvadoran people precisely because the government has not fulfilled the agreements.

No one in this country is convinced that the government is fulfilling the agreements to which it has committed itself before the nation and before the international community. As for the dissolution of the security corps, the fundamental part of the agreements, they have done nothing.

Our people have never believed that the government has dissolved the National Guard or the Treasury Police. All the government has done is change their names and uniforms. The National Guard is now called the National Border Guard and the Treasury Police are simply called Military Police. What a shameless government, my friends!

As for the land problem, there is not much to be said. That is a time bomb that may explode if things continue as they are now. The government must give in by allowing peasants to exercise their legitimate right to own and produce land. Evictions and threats to imprison peasants will determine when the bomb will explode. That is not only noncompliance and a violation of the peace agreements, but the total frustration of a people who had placed their hopes in the political solution to the conflict on that historic 16 January.

It is clear that there are sectors within the government, the Armed Forces, and the oligarchy—the entire right wing—that are opposed to a happy peaceful ending for the purpose of achieving renegotiation of what has already been agreed upon.

It is even more clear that private enterprise has flatly refused to join the economic and social dialogue forum, which by now should have already been installed.

The government noncompliance is serious. The simplistic way in which it intends to justify it is nothing but a lack of seriousness with regard to the agreements. Our people are not as slow as Mr. Cristiani implies when he says that the FMLN [Farabundo Marti National Liberation Front] and other political forces are confused with regard to the alleged disappearance of the Treasury Police and the National Guard.

The peace process is going through a genuine crisis, Mr. Cristiani. That is why Mr. Marrack Goulding is visiting the country. He is here to seek and contribute solutions. We must say that the peace agreements are experiencing serious problems and the entire world can see this. Our people are not stupid. They understand when something is not working well. Our people know perfectly well who is complying with the agreements and who is not.

The FMLN, for its part, expresses its complete willingness to continue complying with the agreements as a whole, but it warns that it will be watching the government's conduct with regard to the peace treaties.

Rebel Commander Denounces Noncompliance

PA1303163592 San Salvador DIARIO LATINO in Spanish 11 Mar 92 p 1

[Text] Northern San Miguel guerrilla commanders have expressed concern because the peace agreements have not been followed and because they have not been offered solutions to their educational, health, housing, and land needs at the guerrilla sites.

Confronted with this situation, the guerrilla leaders have asserted they "will not abandon their weapons after 31 October," which is the date the guerrilla military structure is scheduled to end. The rebels, however, denied the possibility of restarting the war "as there is only room for political efforts and not for military measures."

The rebels stated these issues were presented at the recent news conference on peace agreement violations in agrarian and Armed Forces reforms matters. The peace agreements were signed by the government and the Farabundo Marti National Liberation Front, FMLN, in January 1992.

Mayor Amilcar, who is in charge of the El Limon canton guerrilla gathering site, stated: "The government wants us to surrender our weapons without giving us any guarantees we will survive after we do so." He was referring to the first group of rebels who have to leave the guerrilla gathering sites May 1992. Until now, these rebels have not been offered any type of aid to ease their entry into civilian life, as the peace agreements stipulate, Mayor Amilcar noted.

The FMLN General Command already denounced these matters during the news conference it held last week. It urged the government to avoid the accumulation of issues that could lead to a bigger crisis and also demanded that the international community expedite aid to the guerrilla gathering sites.

Amilcar stated he was not satisfied with the positions taken by the government and private enterprise on the takeover of land and denied the possibility of evictions in the conflict areas "because if this happens, the war will not end."

The guerrilla commanders also denounced the presence of National Guard members in Sesori and other areas. They noted the peace agreements established that the security corps and the Treasury Police had to be dismantled as of 2 March 1992.

"We will not surrender our rifles if we do not have a place to work," said the commander of the guerrilla site, which shelters 340 fighters. He also demanded that the guerrilla gathering site's supply problem be solved in compliance with the agreements and that the guerrillas be guaranteed jobs soon.

FMLN Leader Views UN Official's Visit

PA1303160992 San Salvador Canal Doce Television in Spanish 0300 GMT 13 Mar 92

[Text] UN Under Secretary General Marrack Goulding's visit to the country takes place at the right time, FMLN [Farabundo Marti National Liberation Front] leader Jorge Shafik Handal said on 12 March. He added the obstacles in the peace process will be resolved with the participation of the UN official.

The FMLN said on 12 March that the presence of Marrack Goulding in the country will lead to a better implementation of the agreements, which have faced some difficulties. Jorge Shafik Handal stated that Goulding has come at the right time to solve this problem.

[Begin Handal recording] He comes at the right time. We hope his visit will result in many accomplishments. We believe some obstacles will be overcome, thereby making the process more dynamic. [end recording]

Handal stated that the government has undoubtedly failed to comply with the agreement on the elimination of the security corps because they continue to have the same structure. He added, however, there are mechanisms to settle these differences.

[Begin recording] [Handal] We have reiterated this is a violation of the agreements and we are working to correct this. Let us give it some time.

[Unidentified reporter] On this issue, government representatives Dr. Santamaria and General Vargas stated on 11 March that the government is complying with this point and that....

[Handal, interrupting] Of course. That is what they have to say. This is the dynamics of the process. They must defend the position of the government. It is very hard for them to admit the violations. There are democratic and participatory mechanisms to discuss this issue. [end recording]

Marrack Goulding met on 12 March with FMLN representatives to learn the difficulties of the peace process. Press representatives were denied access to the discussions in which FMLN representatives presented a list of situations affecting compliance with the agreements.

On his second day in the country, Goulding also met with President Alfredo Cristiani. It is expected that after his meetings with both parties, the mutual accusations will cease.

FMLN Leader Medrano on UN Official's Visit

PA1303231492 San Salvador Radio Cadena YSU in Spanish 1230 GMT 13 Mar 92

[Text] Just moments ago, Commander Juan Ramon Medrano, a member of the Political Directorate of the Farabundo Marti National Liberation Front [FMLN], said that the visit to El Salvador by Marrack Goulding, the UN undersecretary general and an expert on peace missions, responds to the crisis created by the government and its noncompliance with the agreements. Medrano admitted that there have been mutual accusations, but he said that the main problem lies in the essence of the agreements, as the FMLN believes that the dates can be reset but the government disagrees.

The FMLN feels that the worst violation of the agreements is the renaming of the Treasury Police and National Guard, which became the Military Police and Border Guard, respectively. Medrano said that Goulding has found an interpretation of the agreements overlooked by ONUSAL [UN Observers for El Salvador] since it has been in the country.

[Begin Medrano recording] We are not actually accusing the United Nations or ONUSAL in particular. We are presenting our interpretation of the issues, which we have a right to do. We have heard the government voice its interpretations many times, and I believe we have a right to present ours. The government's interpretation is a little farfetched; so what we will do is present clear and straightforward reference to content, not dates.

We believe that the ONUSAL position is rather weak in allowing the government to present such an imprecise interpretation of the National Guard and the Treasury Police issue as set forth in the agreements. These two forces have a record of murder and repression of the people; therefore their mere presence, or the presence of the uniform and the helmet of the National Guard, means decades of repression and thousands of deaths.

We cannot understand how ONUSAL could have approved this, which is unacceptable to us and to the people, since all sectors have voiced their opposition to this action. This is the first issue. The second would be that ONUSAL has not demanded anything of the government, as it has of the FMLN. Instead there has been a sort of mediation, which at times has been weak and, in my opinion, could even favor government interests, that does not wish to fulfill the agreements. The duty of the entity in charge of overseeing fulfillment of the agreements is to demand that both sides comply with their essence, particularly the side that is not complying. If this does not occur, then it is not doing its duty. [end recording]

Medrano called on the international community and leftwing people's organizations to provide food and medicine for FMLN combatants, who will complete their concentration at 15 sites on 15 March.

Broader UN, Copaz Involvement Sought

PA1403224992 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 14 Mar 92

[Station commentary]

[Text] The implementation of the peace agreements is currently going through a very difficult phase due to the stubborn position of the military, government, business groups, and Arena [Nationalist Republic Alliance], all of whom seek to turn the agreements into simple rubber stamps.

The campaign unleashed by the government, the military, and businessmen is intended to discredit the agreements. They fail to bear in mind that by adopting this attitude they are bringing an institutional chaos to the country. This could lead to serious consequences.

Labor leaders are being killed as the ANEP [National Association of Private Enterprise] is promoting violence in rural areas and is refusing to join in the dialogue. The National Guard and the Treasury Police only change their names. The reconstruction plan in areas of conflict is simply a farce in which mayors are being installed with the mission of confronting local residents and evicting people from their lands. These outrages must be stopped.

Copaz [National Commission for the Consolidation of Peace] and the United Nations have been slow to react. This has allowed emotions to heat up, while uncertainty about peace's truly becoming a reality hangs in the air.

Peace had a good beginning. Its delays were understood. Now rightwingers seek to undermine peace with the sound of war drums being beaten by government, military, business, and Arena members.

The United Nations has stayed at a distance so as not to make careless mistakes. But in view of the critical situation, it must assume its role. That would be the most prudent thing to do. It could resort to its critical impartiality. The decision by Marrack Goulding, UN undersecretary of operations, to extend his visit suggests the implementation of the agreements is not going very well. He said that after his visit, the agreements could be redefined so the implementation process is totally fulfilled.

The unfortunate thing is that Copaz has not become a mechanism for understanding and for finding solutions among Salvadorans. The international community must be the one that clears the way.

This is a time for quick and appropriate solutions because the efficient implementation of the peace agreements depends on it. It is time for Copaz and the United Nations to make up for lost time. The entire nation must actively call for strict compliance of the peace agreements.

Society of Jesus on Deportation of Father Kelly

PA1503021392 San Salvador Radio Cadena YSU in Spanish 1800 GMT 14 Mar 92

[Report by Enrique Lemus]

[Text] The Society of Jesus of El Salvador condemned on 14 March the arrest of Father Steve Kelly, a U.S. Jesuit priest, on 11 March as he intervened in a National Police eviction of peasants at the El Campeche Farm, Jiquilisco, Usulutan Department. Walter Raudales, spokesman for El Salvador's Jesuit priests, issued the following statement:

[Begin Raudales recording] On 11 March Father Kelly was at the El Campeche Farm, Jiquilisco, when the justice of peace of Jiquilisco and National Police members arrived to evict peasants who had resided and worked at that farm for sometime.

Father Kelly urged the authorities to solve the problem through dialogue because the eviction violated the peace agreements as the land in question is located in conflict areas. The authorities ignored the priest's call and proceeded to destroy the residents' makeshift homes. Father Kelly entered one of the makeshift homes moved by humanitarian and Christian reasons and his desire to prevent an abuse. Father Kelly and two peasants were arrested and taken to the headquarters of the National Police in Usulutan.

On 12 March the same justice of the peace, surnamed Serrano, dropped the charges that led to Father Kelly's arrest. He added that Father Kelly could go free by order of the Supreme Court of Justice. However, Father Kelly had to be taken before the immigration director general.

The lieutenant in charge of the National Police expressed his disagreement over the contradictory nature of this order; however, he agreed to take Father Kelly back to the headquarters of the National Police in Usulutan from where he was transferred to the headquarters of the National Police in San Salvador.

In San Salvador, the colonel who was in charge of the National Police told Maria Julia Hernandez, of the Archbishop's Legal Assistance Office, there was an express written order from the president of the Republic to deport Father Kelly from the country.

On 13 March at 0900 the people in charge of the Society of Jesus explained Father Kelly's case to the proper authorities, who said they knew nothing about the case but offered their good offices to clarify and solve the situation. At 1130, immigration officials issued a similar statement to members of the UN Observers for El Salvador.

At 1430 two immigration officials reported they had orders to deport Father Kelly. In view of this, the Society of Jesus reports that Father Kelly tried to advise the authorities that the peasants' eviction violated the agreements signed in Mexico, and therefore did not contribute to the advancement of peace in the region. Only when

the authorities used violence did Father Kelly resort to peaceful means to prevent the commission of an abuse, the destruction of the peasants' makeshift homes.

The Jesuits denounce the arbitrariness and contradictions of the process used to expel their brother, Father Kelly. The Jesuits regret the political myopia of those who decided to expel Father Kelly, because, while social and government leaders are demanding that thousands of Salvadorans residing in the United States not be deported, Salvadoran immigration authorities, under orders from the Presidency, expelled a U.S. citizen because he showed solidarity with the poor people of our country.

Finally, the Jesuits voiced their hope that the social tension generated by the land ownership problem in the country will not prompt the government to adopt measures that violate the peace agreements. The Jesuits added they hope this problem will be handled with calm and in the spirit and letter of the agreements. [end recording]

Raudales said Father Kelly has resided in the country for over a year. He has been involved in pastoral work in Usulutan Department where he was assigned by Jose Maria Tojeira, provincial of the Society of Jesus in Central America, under the authorization of Monsignor Rodrigo Orlando Cabrera of the Santiago de Maria Diocese.

Catholic Church Comments

PA1603012792 Mexico City NOTIMEX in Spanish 2022 GMT 15 Mar 92

[Text] San Salvador, 15 Mar (NOTIMEX)—The Salvadoran Catholic Church said on 15 March that incidents such as the expulsion of a Jesuit priest on 14 March are related to problems associated with compliance to the peace agreements.

Gregorio Rosa Chavez, auxiliary bishop of San Salvador, said, "El Salvador continues to be a country of contridictions. The expulsion of Father Steve Kelly, which is not normal and was connected with the grave land problems, demonstrates this."

The U.S. Jesuit priest was deported by the Salvadoran Government after his arrest on 11 March during the eviction of peasants from a farm in Jiquilisco, in the eastern department of Usulutan.

According to Rosa Chavez, "obvious irregularities" were committed in the arrest and expulsion of Kelly. These irregularities were denounced by the Society of Jesus and by the Catholic Church in general because the priest had his papers "in order."

Rosa Chavez said, "From this viewpoint, it is easier to understand the difficulties encountered in implementing the peace agreements" signed on 16 January between the government and the guerrillas in Mexico. In this regard, he emphasized the visit of Marrack Goulding, UN deputy secretary general for peace operations, who left El Salvador on 14 March after a three-day meeting with representatives of the government and the Farabundo Marti National Liberation Front (FMLN).

During his meetings with both parties, Goulding discussed the land, public security, and military issues which lie behind tensions in the implementation of the peace agreements. According to Rosa Chavez, Goulding's meeting will bolster the peace process and inject some degree of confidence in the process".

Rosa Chavez also stated: "We have two facts that respond to opposing strategies. In Kelly's case, there was use of force which only served to make the atmosphere more oppressive, while Goulding resorted to reason which made it possible to find several avenues leading to a solution."

Rosa Chavez stated his positive opinion on President Alfredo Cristiani's trip to Guatemala which is scheduled to take place on 16 March. According to the monsignor, Cristiani's trip will strengthen Central American solidarity and accelerate the peace process in Guatemala.

In conclusion, Rosa Chavez noted: "It has being said there are no similarities between the two peace processes; therefore, the solutions must be different. Nevertheless, the Guatemalan church believes they are similar and it is possible to arrive at a harmonious agreement."

Foreign Minister on Honduras Border Dispute

PA1303203192 San Salvador Canal Doce Television in Spanish 0300 GMT 13 Mar 92

[Text] Salvadoran Foreign Minister Jose Manuel Pacas Castro on 12 March reiterated that the Salvadoran Government maintains its position of waiting for the International Court of Justice, ICJ, decision in order to settle the border dispute with Honduras. He added that both governments have the same attitude and expressed his hope that the polemic of the past few days will not change things.

Pacas Castro denied Salvadoran troops are located in the undelimited border areas with Honduras. He stressed that the agreement both governments have made not to enter those areas is being respected. Pacas Castro said El Salvador is waiting for the ICJ decision, which will be announced in June.

[Begin Pacas Castro recording] There is no military presence in the undelimited border areas, and there has never been. On the contrary, the government has always complied and will continue to comply with its international commitments, in this specific case with the peace agreement signed with Honduras. In that agreement, both governments agreed to avoid any action that could affect the status of the residents of those areas. [end recording]

Pacas Castro played down recent incidents with Honduras, noting that the foreign ministries of both countries have been in contact.

In regard to U.S. military aid to El Salvador, he said it will be given within the context of peace and, therefore, it will not be lethal.

[Begin Pacas Castro recording] Yes, this aid is necessary, as the Armed Forces have normal requirements. There are always military requirements within a society and country in peacetime. Therefore, the Salvadoran Government requested the continuation of this aid, just as it is given to other countries in the world. [end recording]

Pacas Castro described as positive the visit to our country by Marrack Goulding, the UN assistant secretary general for peace operations [title as heard], who met with President Alfredo Cristiani and members of the Farabundo Marti National Liberation Front in order to review the transition period in accordance with the agreements.

Guatemala

Serrano Receives Honduran President During Stop

PA1403034392 Guatemala City Teleonce Television in Spanish 1800 GMT 13 Mar 92

[Text] Honduran President Rafael Leonardo Callejas met unexpectedly with Guatemalan President Jorge Serrano at La Aurora International Airport during the morning of 13 March. The Honduran presidential delegation landed shortly after 1000. The Honduran Armed Forces jet in which Callejas arrived will remain in Guatemala for several days as he continues on to the United States and Europe in commercial airliners.

It was reported that, although the visit by President Callejas was of a private nature, he took the opportunity to talk to Serrano on subjects of interest to both countries.

[Begin recording] [Words indistinct]

[Callejas] Basically, to talk about problems related to the price of coffee. President Serrano has discussed with some circles probable solutions to that particular problem. Also, I came to ask him to help find a formula for marketing bananas in the EC, a point of interest for all Central American countries.

[Reporter] Will those subjects be discussed during your next official visit to the country?

[Callejas] Those and several others. We will most likely emphasize bilateral relations and Central American integration. Central American countries and those that produce coffee and bananas currently have two very serious problems—the drop in coffee prices and the limitations on marketing bananas in the EC. We talked about that earlier. He will take substantial action so that we can follow up and reach several objectives common to the Central American countries, particularly Guatemala and Honduras.

[Reporter] What specific proposal would be made to the EC?

[Callejas] To keep bananas within GATT and not set quotas on Central American bananas, which is the most difficult point. (end recording]

President Serrano also responded to a few questions:

[Begin recording] [Reporter] Mr. President, what subjects will be discussed during the meeting with Salvadoran President Alfredo Cristiani?

[Serrano] As the media have reported, the main topic to be discussed is the free trade agreement with El Salvador.

[Reporter] The free trade agreement with Honduras is already in force?

[Serrano] We are negotiating. A Guatemalan delegation will visit Honduras next week to work on some details of the negotiations on tariffs. We strongly expect that during President Callejas' visit to Guatemala we will be able to sign the free trade agreement between the two countries and thus open the Guatemalan market to Honduran products and the Honduran market to Guatemalan products. That has been an aspiration of Central America for the past 30 or 40 years. Its fulfillment should greatly reinforce the economies of our countries.

[Reporter] When will the free trade agreement between Guatemala and Honduras be signed?

[Serrano] We are in the final stage of the negotiations. We are working on the final details, which should be completed in a few months. [end recording]

Serrano Challenges Guerrillas' Resolve for Peace

PA1403040292 Panama City ACAN in Spanish 2154 GMT 13 Mar 92

[Text] Guatemala City, 13 Mar (ACAN-EFE)—Guatemalan President Jorge Serrano on 13 March challenged the guerrillas to publicly prove their resolve to seek a solution to the armed conflict and end their terrorist activities which, according to the president, "are clear proof of their weaknesses and inabilities."

"The guerrillas have resorted to terrorism in view of the fact that it is impossible for them to establish a traditional plan for the country's urgent needs," the president said at the inauguration of a new "friendship" bridge along the route between the capital and the Pacific, which replaces the one destroyed by the rebels in 1989.

"The terrorists are not deserving of respect," Serrano said, explaining that 30 days ago he asked the Guatemalan National Revolutionary Unity (URNG) to publicly state what it wants. Nevertheless, he said, "a month has passed and they have been incapable of saying what they want for the Guatemalan people, which proves that they lack the resolve to truly adopt positions that would definitively resolve the conflict."

Serrano said that the rebels must understand that the international community "turned its back on them in Geneva," referring to the fact that the UN Human

Rights Commission, which recently met in that Swiss city, did not condemn the Guatemalan Government.

"We have won the military war and the international struggle, and we have also won the struggle with our people," the president underscored. He added that all that is left to the rebels now "is terrorism to justify their existence," but that tactic "is not a solution and all the people of the world reject it." The guerrillas, Serrano said, say that they speak on behalf of the people, "but they are the ones who punish the people by cutting off power, destroying highways, and murdering military doctors."

"We do not want any more terrorism in Guatemala. Tell us what you want in order to stop the terrorism," because "we are going to adhere to the law," the president warned the insurgents. "I do not understand why in 30 days they have not made the statement that was requested of them," Serrano insisted.

Bomb Explodes in Guatemala City Killing One

PA1403155392 Mexico City NOTIMEX in Spanish 0903 GMT 14 Mar 92

[Text] Guatemala City, 14 Mar (NOTIMEX)—At least one person was killed and six were injured when a powerful dynamite charge exploded in the outskirts of this city, sources from the municipal fire department and volunteers have reported.

The bomb, which was placed near the "El Milagro" neighborhood in the western side of Guatemala City, exploded at 2240 (0440 GMT), making it necessary for security forces to cordon off a vast sector of the capital.

Meanwhile, some 2,000 members of the "Hunahpu" task force are guarding the national territory and have established a "shield" program in border areas with El Salvador and Honduras to prevent arms trafficking.

Violence in this nation has become unbearable during the past few weeks. The roving military police, treasury police, and Army have announced they "will win the streets" to fight criminals.

The Government Ministry announced it will begin an "all-out battle" against criminals, who have increased their activities in the Guatemalan capital.

Nicaragua

Some Recompas Threaten To Continue Rebellion

PA1403192492 Managua LA PRENSA in Spanish 12 Mar 92 p 16

[Report by Roger Suarez and J. Ivan Olivares B.]

[Text] Ocotal—While hundreds of men began on 11 March to enter the enclaves to surrender their weapons, approximately 150 "recompas" took up positions at the granary in this city, disregarding the agreements signed on 10 March, and threatening to start new actions.

This group, led by "Frontera" and "Chele Julio," strongly criticized "Memin," the Prudencio Serrano Northern Front's chief of staff, for signing the agreements with the government. They stated "we will remain armed to the final consequences."

Residents of Ocotal, who on 11 March were in the process of returning to normalcy, were taken by surprise by the attitude of the 150 men stationed at the granary.

"It seems as if we will never have tranquillity to work in Las Segovias," said peasant Toribio Pineda, as he walked by the occupied granary pulling his wood-laden donkey.

The new rebels who reject the agreements signed by "Memin" point out that "we were not considered and we feel betrayed," according to "Chele Julio."

"Chele Julio" added that if the government does not send new commissions to talk with them "we will initiate new operations that will be heard even in Managua."

On the morning of 12 March, a few of the commanders at the granary prepared a communique in which they stated their requests, which included salary increases for teachers and health workers.

On the afternoon of 11 March, Deputy Government Minister Alfredo Mendieta said on Radio Segovia that all of the armed groups must go to the enclaves instead of hindering the pacification process.

"We want our economy to improve. In order to do this we must produce because food will not fall from heaven," he said.

Mendieta, who was recognized for his successful leadership during the negotiations, added in his statement on the radio that problems will not be resolved because "10 or 20 individuals grab rifles and state their demands. We must understand that problems can only be resolved by working together," he said.

The first group of armed men who occupied Ocotal for five days began surrendering their ammunition at the enclaves at Orosi and Apali.

Approximately 150 men led by recompa leader "Toro," were the first to arrive at Orosi, 30 km west of Ocotal.

Late in the afternoon on 11 March, soldiers from the Special Disarmament Brigade (BED) began to register the rebels and collect their ammunition. "We will not take your rifles until 12 March," said Amado Zepeda, chief of the BED detachment.

Some of the rebels only surrendered one hand grenade, which suggested to the people in charge of the disarmament that not all of the weapons will be surrendered.

The BED troops took enough clothes to Orosi for 900 men, whose military uniforms they will collect. They also took enough food supplies for two days.

Nevertheless, the "demobilizers" have been surprised by the large quantity of food reserves of the recompas who agreed to disarm in Orosi.

"We had planned to give them food, but it is obvious that they are the ones who will end up feeding us," said one of the young BED soldiers jokingly, when he saw the supply of rice, plantains, onions, and other foods.

Among the weapons surrendered on 11 March were various types of rifles in a variety of conditions and various stages of antiquity.

Meanwhile, in Ocotal, there is fear the men in the granary may hinder the disarmament process, which is scheduled to last 72 hours.

Nevertheless, Mr. Ramon Paguaga, the Government Ministry delegate in this city, said that the disarmament and the process of entering the enclaves established for the demobilization "will not be hindered by the men in the granary. It is only a matter of differences among the recompas," he said.

On 12 March, the mayor of Ocotal and International Commission of Support and Verification officials had planned to meet with the men in the granary to explain to them the scope of the agreements and attempt to obtain their demobilization and disarmament.

Panama

Endara Announces Pay Raises, Property Auction

PA1303220192 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Mar 92 pp 1, a2

[Article by Emilio Sinclar]

[Text] President Guillermo Endara on 12 March announced an earlier date for payment of the 13th month bonus, a salary increase for the National Police, and a law to auction off property illegally obtained by officials of the previous administration.

During his weekly meeting with media representatives, President Endara said that the government will pay the 13th month bonus to public employees on 16 March to help them cover expenditures related to the resumption of classes.

All public and private schools nationwide will resume classes on 23 March, thus the advanced payment will allow public employees to make their purchases one week before classes resume.

Endara also announced a $25 pay increase for members of the National Police with the rank of lieutenant and below.

The properties that were illegally obtained during the previous administration and are currently being held by the Directorate for the Recovery of State Property will be auctioned off. The president reported that toward this end a law is being drafted to sell the properties that officials of the previous administration acquired with funds that presumably belong to the state.

Among the properties that will be auctioned off are several owned by Manuel Antonio Noriega, former chief of the defunct Panama Defense Forces.

As for the trial of deposed General Noriega, President Endara believes that "he will be found guilty."

Media representatives insistently asked the president about a demonstration led by his wife at which the resignation of Attorney General Rogelio Cruz was demanded, but Endara reaffirmed on several occasions that he does not wish to meddle with the affairs of the judicial branch. He pointed out, "I cannot, for constitutional and legal reasons," ask Attorney General Cruz to resign.

Endara denied that his wife has called another demonstration outside the Attorney General's Office for 19 March. He pointed out that his wife's demonstration used "no government resources." In response to a reporter's question in this regard, he asked: Do you know for a fact that it was not so?

Government Creates New Security Agency

PA1503231092 Panama City MAGAZINE DOMINICAL EL SIGLO in Spanish 15 Mar 92 p 22

[Report by Rogelio Martiz]

[Text] In addition to other institutions comprising the Public Force, such as the National Police, Judicial Technical Police, National Air Service, National Marine Service, Institutional Protection Service, and the Public Security and National Defense Council, the current government has created a new security agency.

The new agency is the Institutional Directorate of Public Security [Direccion Institucional de Seguridad Publica], which will also be under the Government and Justice Ministry. It will be in charge of controlling private security agencies.

Executive Decree No. 22 of 31 January 1992 regulates the requirements, rights, and functions of security guards.

The Institutional Protection Service, whose director is Carlos (Toti) Bares, provides security for the president of the Republic and his relatives.

President Guillermo Endara also created the Public Security and National Defense Council, in charge of state security, which is directed by Menalco Solis.

Argentina

Menem Denies Pressure by U.S. Ambassador Todman

PY1303233692 Buenos Aires TELAM in Spanish 1518 GMT 11 Mar 92

[Text] Buenos Aires, 11 Mar (TELAM)—President Carlos Menem has categorically stated: "I want to make it perfectly clear that no one pressures the president. If anyone tries to do it, I will shut the door in his face."

Denying reports about his 6 March meeting with U.S. Ambassador Todman on the Edcadassa [South Atlantic Air Cargo Enterprise, Inc.) issue, Menem said: "It was strictly a protocol meeting. It had been three months since the ambassador and I had met, and he had the courtesy to pay me a visit after returning from his vacation."

During a breakfast meeting with journalists at Government House, Menem said: "I am categorical on this. No one can pressure me. Neither Todman, nor Bush, nor Mitterrand, nor anyone else."

Cavallo Denies Pressure

PY1203181992 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0924 GMT 11 Mar 92

[Text] Buenos Aires, 11 March (NA)—Economy Minister Domingo Cavallo has said that U.S. Ambassador Terence Todman has "never" exerted pressure during the foreign debt restructuring process. He said that, conversely, the United States "is helping Argentina."

Cavallo added sarcastically that his meeting on 10 March with the U.S. diplomat was very long because they were watching a video "and neither of us knew how to operate the machine."

Cavallo added that "there are certain things" he cannot disclose about U.S. assistance on the foreign debt "because it is part of the negotiation process, and it would harm our interests to disclose these details." He laughingly said that people will have to wait for his memoirs to learn these details.

After categorically denying that U.S. Ambassador Todman exerted pressure in favor of "any specific company" in the controversy over the end of the monopoly held by Edcadassa SA [South Atlantic Air Cargo Enterprise Inc.] on the government warehouses at Ezeiza International Airport, Cavallo said, "The newspapers that reported this were very wrong. We had a very useful meeting."

Cavallo added: "The video was on the image of Argentina abroad, the Argentine proposal to normalize its financial ties with foreign countries, and how to attract capital."

He said: "I categorically deny it because I never felt I was being pressured by Ambassador Todman. On the contrary, I have seen his willingness to help us normalize our financial ties with foreign countries and to help us obtain capital, both from the United States and from other countries."

Cavallo ended by saying, "Those stories about proposals made to the president or to the economy minister about this or that company are completely false."

UCR: Todman's Actions 'Unacceptable'

PY1303144892 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2029 GMT 11 Mar 92

[Text] Buenos Aires, 11 Mar (NA)—A group of Radical Civic Union [UCR] deputies issued a communique in which they state that it is "unacceptable" for U.S. Ambassador Terence Todman "to appear in the media every time something happens. This borders on political pressure because he is strictly becoming a negotiator of property interests rather than a diplomatic representative."

The UCR legislators point out that, "notwithstanding the fact that some national government officials sometimes give him more room than is appropriate," Todman "participates in controversies between executive branch ministers" and protests over "unfulfilled promises" by those who visit him.

The opposition deputies note: "The intensity of Ambassador Todman's involvement, remarks, denunciations, and 'suggestions' are turning his performance into an overstatement of the framework of diplomatic relations between sovereign states. His meddling in our Republic's economic policy is public and noticeable."

The communique adds: "Bids and long-term policy decisions are not unknown to him. The government warehouses at the Ezeiza airport, mobile telephone systems, and rocket programs are topics upon which he is extremely talkative."

The UCR deputies note: "It would be nonsense for a diplomat to voice an opinion on domestic affairs as if he were a simple citizen of the nation because the mission [words indistinct] at odds with that guaranteed by the Constitution for those living in our territory, and establishes an obligation to exercise it with due prudence and moderation."

The UCR deputies add that this obligation involves being careful "not to damage the strict respect for the principle of self-determination—which is fundamental in international relations—not to encroach upon the proper decision-making areas of the state recognizing him, and not to meddle in the exercise of this state's sovereignty."

The communique bears, among others, the signatures of Deputies Marcelo Bassani, Victor de Martino, Jorge Vanossi, Jose Canata, Alberto [last name indistinct], Ormando Alvarez Garcia, Hector Di Tulio, Jorge Marco, Raul Vicchi, and Rodolfo Quezada.

Modin Leader Comments

PY1203232292 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2132 GMT 11 Mar 92

[Text] Comodoro Rivadavia, 11 Mar (NA)—Aldo Rico, leader of the Movement for Dignity and Independence (Modin), said here today that Argentina is now facing the alternative of choosing between "Todman or the Argentines," thus reviving the old slogan "Braden [referring to U.S. Ambassador Spruille Braden, who adopted an anti-Peronist stance in the 1946 presidential elections] or Peron" used in the 1946 elections.

Former Lieutenant Colonel Aldo Rico said: "This country is being ruled by a few. This is the country of Bulgheroni, Macri, Yabran, Jorge Antonio [Peronist leader], and Perez Companc [preceding five names businessmen]. This is a country of politicians who have surrendered everything and who make big deals."

Rico is visiting Comodoro Rivadavia as part of a political tour that will take him to several southern Argentine cities where his party is beginning to organize.

In statements to the local press, Rico said that Argentina is a country "that must regain control over its patrimony and its income. It also must increase its domestic savings; otherwise, everything will be useless."

He added: "Ours is a dependent country, and dependence is the worst kind of corruption. We are in this condition essentially because we have a new breed of politician. Men and women who act in politics to serve and who do not believe it is a business." [sentence as received]

Rico said: "People support our proposal because it is based on national interests, something that has been lacking for quite some time. In 1989, Argentines voted for a national proposal but, unfortunately, the productive revolution and what they voted for vanished the same night Menem was elected president."

Cavallo Views Attack on Menem, Bush Governments

PY1403000092

[Editorial Report] Buenos Aires NOTICIAS ARGENTINAS in Spanish at 1115 GMT on 13 March carries a 300-word report stating that Economy Minister Domingo Cavallo has announced the existence of "a simultaneous attack on the governments of Carlos Menem and George Bush" by "concrete interests willing to create an image" that both administrations "protect private individuals with a certain tendency toward corruption."

"It is a simultaneous attack on the governments of Menem and Bush and on Ambassador Todman and myself, encouraging people at the intermediate level of the U.S. Embassy and our government," Cavallo said in remarks to a radio station. The minister added that he will talk to Todman "to tell him that some members of his own embassy, in order to maintain good relations with GTE and AT&T or some other company, say that the ambassador will exert pressure in their favor."

In a 250-word report, Buenos Aires NOTICIAS ARGENTINAS in Spanish at 1018 GMT on 13 March notes that Interior Minister Jose Luis Manzano agreed with Economy Minister Domingo Cavallo, stating that government officials at the intermediate level "often distort decisions made by the president or ministers," and that for this reason, "everything is implemented differently than planned."

Referring to Cavallo's remarks, Manzano stated: "What the economy minister said is absolutely true about our administration. Decisions made by the president are often distorted in their implementation." Manzano made these remarks upon entering Justicialist Party headquarters to participate in a meeting with leaders of the ruling party, who are holding talks within the framework of the political dialogue.

Manzano Discusses 12 Mar Rail Strike Violence

PY1503234292 Buenos Aires BUENOS AIRES HERALD in English 14 Mar 92 p 11

[Excerpts] (NA-DYN)—Interior Minister Jose Luis Manzano yesterday announced he gave orders to sanction the policemen responsible for "disproportionate repression which goes against the rules of preventive action" during the incidents at Constitution railway station on Thursday evening [12 March] which left 32 people arrested and several slightly injured.

Manzano also accused "activists of left-wing political parties"—especially the Movement towards Socialism (MAS)—of having promoted the violent protest of passengers which followed the decision of locomotive engineers and guards to stage a surprise strike during the afternoon rush hour on Thursday.

The minister considered that the metropolitan rail company Femesa [Buenos Aires Metropolitan Railways and Subways] "should fire the strikers because they acted against the law since the Labour Ministry had ruled compulsory conciliation" in the conflict between rail workers and the company.

The Interior Minister meanwhile released a communique stating that Manzano ordered an administrative trial to be carried out in order to pinpoint responsibilities for the incidents. He also asked the Transport Secretariat for the names of the Femesa authorities who were supposed to be present at Constitution at the time of the incidents.

In turn, the Federal Police defended their action stating that they "had to intervene when the labour conflict led to violent action by the passengers, who tried to attack rail personnel and destroy station property." A Federal Police communique says that the policemen "restored

order and guaranteed lives and goods." Some passengers were still in the hospital with wounds caused by heavy blows of the police batons.

But Manzano considered that the police forces exercised an "uncalled-for repression" and accused the rail company managers of not taking any decision and not even telling the passengers what was going on through loudspeakers. A Femesa press release, however, says that passengers were briefed on the strike through the loudspeakers and adds that the incidents were due to the participation of political activists channelling the justified anger of the passengers into violent action. [passage omitted]

Yesterday afternoon MAS Deputy Luis Zamora called Manzano "cynical and hypocritical" for blaming members of his party for the Constitution violence. [passage omitted]

Bolivia

Deputy Says DEA Corrupt, Demands Expulsion

PY1403031892 La Paz Radio Fides Network in Spanish 1100 GMT 13 Mar 92

[Relay from Cochabamba]

[Text] National United Left Deputy German Gutierrez Grantier has demanded that DEA agents be expelled from Bolivia. Gutierrez said that the DEA is up to its neck in the Huanchaca case [1986 killing of scientists by drug traffickers] and that, for some time now, this U.S. police organization has been a corrupt institution that is destroying the fatherland's structure.

[Begin Gutierrez recording] For some time now, the DEA has been an organization that overlooks Bolivian laws and authorities and that is only concerned about itself, not about our country. In view of this, we believe that the relationship with the DEA should change and that there should no longer be any privileges. Quite the contrary. The DEA should even be expelled from our country because its participation has not only been negative, but absolutely illegal due to its participation in crimes such as the Huanchaca case. [end recording]

As you have heard, the ball is now in the gringos' court. Now that it is aware of the DEA's direct participation in the much talked-about Huanchaca case, the citizenry in general believes the DEA agents must leave the country to keep this issue from destroying the fatherland's structure.

IDB Agreement Signed To Finance Privatization

PY1403125292 La Paz Television Boliviana Network in Spanish 0200 GMT 14 Mar 92

[Text] The Inter-American Development Bank [IDB] and the Bolivian Government today signed a reimbursable technical cooperation agreement to finance the project for the modernization and privatization of public companies.

Through this agreement, the IDB grants Bolivia a $1.7 million loan to assist in the process of redefining and rationalizing its entrepreneurial actitivies. Planning Minister Samuel Doria Medina commented:

[Begin recording] This $1.7 million loan will help advance the privatization and modernization of public companies. Regarding privatization, it will help us conduct studies and appraisals and establish an organization to be responsible for the implementation of the privatization process.

Among the companies to be privatized are: regional development corporations, whose situations have already been analyzed, and a second important group of companies, such as dairy companies, which will not always be sold through the stock market or any other entrepreneurial mechanism.

With these funds, we can also study the possibility of organizing producers' cooperatives or associations, which will allow for better administration of these companies. [end recording]

IDB representative to Bolivia Johanes Chimazu also commented on the agreement:

[Begin recording] This important document is one more step toward the common objective of improving the effectiveness of the companies in the country. As the planning minister said, we are not willing to privatize for the sake of privatizing. We are planning something much more important: to improve the effectiveness of the companies. To do this, (?lease) contracts are very important.

I am very happy to see that Bolivia continues to tread the correct path. [end recording]

Opposition Blamed for Privatization Law Delay

PY1303224692 La Paz Television Boliviana Network in Spanish 0200 GMT 13 Mar 92

[Text] Chamber of Deputies President Gaston Encinas said today that paralyzing the study of the privatization law in the Supreme Court was a serious attack on the country's economic interests.

Encinas said that the opposition—through Deputy Guillermo Richter—has implemented a new delaying tactic that is preventing judicial definition of the privatization law. Encinas added that this represents a real attack on the country's economy—which urgently needs a legal instrument to carry out an economic recovery of the production structure. Encinas said:

[Begin recording] In fact, the plaintiff surprisingly requested yesterday that three judges be excluded from this case due to their alleged close friendship with General Hugo Banzer and me. The reason this request was used was because it is a mere tactic, without any legal basis, that represents a new delay in the resolution of this case. It also shows, without any doubt, that the opposition's purpose in relation to this law of the Republic is to irresponsibly postpone the country's

development plans, which are above the interests of the administration because the country's development depends on it.

The national and international community and international financial organizations are aware that the current government administration has put its greatest efforts into modernization of the country and its main institutions and production structures. But the irrational opposition of some political parties—and of their leaders, who act stubbornly in support of their sectorial political interests—is preventing the main public powers from fulfilling their jobs in a normal, effective manner. The worst thing about this case is that these people want to appear before the public as modernizers when, in fact, they are doing as much as possible to prevent the country from developing. Despite this situation, we trust that the Supreme Court will be able to overcome these obstacles for the benefit of the country's democratic institution. [end recording]

MIR-NM Leaders Ratify Support for Banzer

PY1203185192 La Paz Television Boliviana Network in Spanish 0200 GMT 12 Mar 92

[Text] Movement of the Revolutionary Left-New Majority [MIR-NM] leaders have ratified their support for the candidacy of General Hugo Banzer Suarez. MIR President Oscar Eid Franco said that any statement that contradicts this decision is merely a personal opinion. He thus referred to remarks by some active members of this movement in Cochabamba.

[Begin Eid Franco recording] Isolated remarks made by active members of our organization by no means alter the decision of the central organizations of the MIR-NM, by its national political committee, or by its executive committee. The MIR position of supporting the candidacy of General Banzer is no longer a matter for discussion. We are promoting Banzer's presidential candidacy for the upcoming elections. [end recording]

Military Ready for Action Against Guerrillas

PY1403165892 La Paz Radio Fides Network in Spanish 1100 GMT 14 Mar 92

[Text] According to General Oscar Escobar Quiroga, Army commander in chief, if the National Police cannot stop guerrilla outbreaks in Bolivia, the Armed Forces are ready to take immediate action.

[Begin Escobar recording, in progress] ...control, but we would try to do our best, and we believe that we will act if subversion and the armed threat reach such levels that we are forced to do so.

Anonymous leaflets that periodically circulate in the institutions have never jeopardized any organization and, less still, our nation's democracy [referring to pamphlets calling for a military uprising, similar to the recent incident in Venezuela]. [end recording]

Brazil

Collor Addresses Nation on Second Anniversary

PY1303162292 Rio de Janeiro Rede Globo Television in Portuguese 1201 GMT 13 Mar 92

[Speech to the nation by President Fernando Collor, closing the second year of his administration, from Planalto Place in Brasilia—live]

[Text] Mr. Vice President of the nation; Messrs. government bloc leaders; Messrs. ministers and state secretaries; ladies and gentlemen:

On the eve of my second anniversary in office, 15 March, we meet here, not just to evaluate what has been accomplished, but more specifically to reaffirm our main objectives by reflecting on our accomplishments and successes and by proposing ways and means to improve our approach.

At this meeting, we welcome the new members of the cabinet, which has gained experience and [word indistinct] and has reinforced its sense of unity and direction, which has kept our government's actions on course. This is a key year for strengthening the country's modernization process and for designing strategies that will allow us to resume sustained economic growth.

We must continue to provide the Brazilian people with concrete solutions to the problems that they must cope with everyday. The foremost challenge is monetary stability, which, as I have repeatedly said, is not an end in itself but a means by which to recover the ability to grow and to fulfill objectives of social justice.

For two years now, we have been struggling to streamline our economy by correcting distortions that have been piling up for decades. This adjustment has been hard on everyone, but most Brazilians have displayed patience, perseverance and optimism. I have not hesitated to implement harsh measures because I knew they were necessary and would benefit the population as a whole in the end. These measures were necessary to break the vicious circle of hyperinflation, oligopolism, low productivity, excessive profits, insufficient wages for laborers, production techniques not oriented toward the economy and international competitiveness. Thus, it is worth stressing that the economic adjustment we are implementing cannot be relaxed at this point. We are too close to success to change course now.

We can see the light at the end of the tunnel, and the course of healthy growth is within reach once again. Now that our house is in order, let us breathe deeply and apply our entire strength for this final push.

Now we must choose proper and realistic priorities, bearing in mind our limitations. True national reconstruction cannot be accomplished through short-term

objectives—through allegedly miraculous measures—by focusing on temporary situations, least of all through political opportunism.

Broad-mindedness and a commitment to long-term objectives are required from everyone in order to carry out the structural changes that the country needs. The results we have obtained confirms that our economic policy seeks lasting and irreversible objectives.

Ladies and gentlemen, these two years of our administration have changed Brazil's history. No one can deny that the national debate is developing along a new course. Issues that Brazilian politicians ignored or downplayed in the past have been raised as priorities by representatives of the nation's entire political spectrum.

We must, however, move forward, broadening participation in a renovated and democratic debate on issues like modernization, privatization, state reform and streamlining, environmental protection, Indian policy, opening of the economy to trends of international trade, ending market reserves, breaking up oligopolies, ending abusive economic practices, mercilessly fighting inflation, improving the education of our children, and paying our nation's social debt.

There is no denying my administration's initiative on these issues and the significant progress that has been achieved. Our successes, and especially the project for a new Brazil for which these successes are paving the way, must stimulate all members of this cabinet and prompt them to greater involvement.

For two years now, I have been asking the Brazilian people for a considerable effort, hoping to end once and for all the culture of paternalistic authoritarianism and to clearly show that development amid social justice and a participatory and responsible democracy is the only way this country can go.

Liberty, solidarity, work, justice and truth are the cornerstones upon which we are building a new country.

Ladies and gentlemen, for 24 months now the administration has been trying to define clearly, rationally, and fairly the mechanisms and approaches for modernization. Success, however, is not in the hands of the executive alone. To achieve this success we need harmonious, solidaristic, and dedicated efforts from all the branches of the state. Furthermore, we need to set into motion all citizens, social organizations, political leaders, public officials from all three government levels.

The desire to improve dialogue with the politicians, to permanently seek understanding and consensus, has prompted us to incorporate into the first level of the administration experienced congressmen and people who have a broad knowledge of their specific fields of activity. This reorganization of the cabinet should secure an even more fluent and balanced relationship between the executive and the nation's Congress because I believe that the legislative branch must recognize the significance of the modernization bills it is now studying and must expedite the processing of these bills during the first half of this year.

The bills that the executive branch has submitted to Congress reflect the people's frank and legitimate will for change. Prominent among these bills are the amendments to the Constitution that are essential for the continuity of state reforms, modernization, and economic stabilization. In addition to these amendments, there are many bills that must be approved prior to taking the decisive step toward economic growth. Among these bills are: the reform of the port system, the industrial property law, the law on concessions for public projects and services; fiscal incentives for technological training; and labor-management bargaining laws.

The sooner we can jointly tackle problems, the sooner we shall harvest the fruits of prosperity amid social justice.

Ladies and gentlemen: During these two years, the government has established certain priorities to create a basic agenda for consensus that is the stepping stone for a true national project. The strengthening of democracy is the top priority. The need to improve our institutions both prompts and restricts the actions of this administration. This objective is the basis for all other goals and measures.

I ask all Brazilians to look back into history and answer these questions: When have the branches of the state enjoyed such a period of autonomy, independence, and balance? When has the press had greater freedom to criticize and level charges of all sorts? When have political parties, labor unions, and other social organization enjoyed greater freedom of action? The answer to these questions is: Now, during my administration.

Social forces have a decisive say in the management of the nation's future. All measures implemented up to now have first undergone the broadest possible legislative debate and are under the permanent scrutiny of the judiciary branch.

This is helping to strengthen democracy day by day. The people must realize this and conscientiously participate in the political process. In order to become a truly developed country, everyone must have democratic access to social benefits and to the fruits of progress and wealth. To give everyone access, however, we must shore up political democracy.

Ladies and gentlemen, the second priority is basic education for all Brazilians as part of the larger objective of repaying the nation's social debt. During our two years in office, the administration has clearly outlined the guidelines of our project to save the children who belong to the most neglected levels of our population. Democracy, ignorance, and sickness are not compatible.

True basic education preaches humanitarian values like ethics and solidarity, thus raising conscientious and

healthy citizens who have a critical awareness of their role in history and in the world.

Brazilians must be trained to think better, to understand what is going on around them, and must be able to adjust to a rapidly changing world.

Despite current economic difficulties, we have made some headway. Revolutions are underway in education and health. We have, for example, the integrated education project epitomized by the CIACS [Integrated Centers for Assistance to Children], which pull children off the streets, feed them, educate them, give them medical care, and teach them to think, thus giving them the same opportunities as those children coming from higher social strata.

Setting up CIACS all over Brazil and raising the services rendered by the other state schools to the CIAC level will not be an easy task. The entire society will have to be involved in this project.

Basic education would be incomplete without decisive public health actions. We seek lasting and effective solutions to the enormous shortcomings of the public health system, from which the Brazilian people, especially our poorest children, are suffering.

During these two years in office, child vaccinations reached unprecedented figures. These figures will be further improved through the vaccination campaign that is due to begin in a few weeks.

These two fields require more than mere corrective actions. We must promote deep structural reforms within the health care and social welfare systems. We are already working on this, but the quest will be successful only through the joint participation of the political class and of society as a whole.

Ladies and gentlemen, the third priority of my administration is economic modernity. The fruits we have been harvesting in this field, month after month, allow for a certain degree of optimism. It looks as if this year's harvest will break all records, with production figures that encourage us to continue to give priority attention to farming.

Large foreign investments are returning to Brazil. These investments grossed $11 billion in 1991. Foreign trade surpluses have returned to safe levels and will continue to grow. Brazil has reached agreements with the IMF and with the Paris Club. Both agreements are essential steps toward the normalization of our relations with the international financial community and the recovery of international credibility.

We are currently witnessing a turnabout of economic expectations. We have modernized our industrial policy. We have liberated trade. We are encouraging quality and productivity control programs. We have stimulated scientific and technological research and development.

Privatization has been successful, even according to the workers of state companies who want more privatizations right now because they realize that only then will they have job security, more productivity and, therefore, better salaries.

The success of this program proves to the nation that this administration is firmly committed to pulling the state out of production-oriented activities, thus allowing it to concentrate on infrastructural investments, to correct social imbalances, to improve the education system, and to enhance urban and housing planning.

We recently implemented export incentives that should give our foreign trade a new momentum so that it can generate funds for the urgently needed reconversion of our industry and speed up economic growth. We are also shoring up projects intended to assist small, medium, and individual businesses. It is up to private initiative to generate wealth by playing the leading role in the modernization of the country's productive infrastructure. It is up to the state to secure conditions appropriate for production while promoting justice and a democratic access to social benefits.

Thus, the state and industry are not in conflict with each other. The two must seek a constructive and mutually profitable dialogue in order to fuel a realistic, noninflationary development.

Ladies and gentlemen: Moralization of the state is the fourth objective of this administration. This is a banner that everyone must raise without exceptions, a banner that I have earnestly raised from the very beginning of my presidential campaign. I want to once again reaffirm my strict, unwavering commitment to administrative honesty, transparency, and clarity. It is an ethical commandment. It epitomizes respect for the ideals that gave us the opportunity to serve the nation, and it is essential for the accomplishment of our objectives.

Faithful to its commitment to the democratic process, my administration has been spearheading this drive for the moralization of the state to the point that it is sending to Congress a number of bills dealing with various issues ranging from strict punishment for public officials guilty of illegal accumulation of wealth to new regulations for bids and contracts.

We started an earnest investigation into frauds against the social security system, a legacy of decades during which an obsolete system provided an opportunity for manipulation, corruption, and injustice.

During the past two years, I have issued decrees dismissing over 100 public servants whose actions were found to be harmful to public interests. Other government agencies have also dismissed faulty officials and confiscated assets. Several people have been arrested.

I will not tolerate deviations; nor will I give shelter to the guilty. In the past, deviations went unpunished. This may have happened in the past, but now such deviations

are under heavy fire, and the results of this battle are there for all to see. Thus, we are breaking the vicious circle of impunity among the country's public servants.

Once again, I strongly recommend to all ministers and secretaries of state to closely oversee the management of public affairs within their jurisdiction. Seeing reports on incorrect behavior splashed across newspapers is common to all democracies. This does not happen where there is no democracy because such reports are manipulated, covered up, or discouraged through the fear that prevails under authoritarian regimes.

We must be cautious, impartial, calm and controlled when judging the charges that have been leveled over the last few months. Public officials must seek a balance. Do not prejudge and do not overstep the boundaries of your jurisdiction. Ethical and political considerations require justice to run its course and follow its ritual. No one can be considered guilty without a proper trial and a sentence.

Although the legal system does not allow haste, let no one harbor doubt or delusion. Once the truth is established—irrespective of circumstances and no matter who is sentenced—no personal feelings or motives will prevent this chief of state from sentencing in an exemplary manner. The consequences will be those dictated by law, required by the current political status quo, and in keeping with the nation's conscience.

Ladies and gentlemen: I have reviewed Brazil's top four priorities in its quest for modernization. It is obvious that the actions of the administration have a much wider range than these four objectives. I have, however, emphasized the top four because they constitute the basic framework of a huge national project through which Brazil should attain the position it deserves among other nations.

The size of our economy and the courage and creativity of our people fully justify our aspiration to play a leading role in the great changes underway in the world. Our recovery of international credibility should place us among the nations that are drawing up the new guidelines for the development of the world during the third millennium.

The UN Conference on Environment and Development, Rio-92, will be an exceptional opportunity for us to display our spirit of leadership in the task of devising a new model of sustainable development within which man can coexist with nature.

This definition of our policy during Rio-92 is yet another expression of the values upheld by our diplomacy that, by defending peace, respect for the law, the permanent quest for peaceful solutions, social development, and justice throughout the world, has always faithfully reflected national interests and feelings.

Two years are a significant landmark for any administration because they allow one to envisage some accomplishments and to adjust one's outlook.

So far the challenges have served merely to build up our strength. Thus, we shall not weaken. The time has come to broaden national debate and to consolidate understanding. I have outlined the basic thoughts of the administration's social and liberal policy to focus the debate on key ideas.

We must mobilize the whole of society to discuss the problems that plague us. Among these problems are those that affect children, and these are my top priority. Brazilians are anxiously awaiting results that will put more food on the table, provide better education for their children, more jobs, better salaries, more low-income houses, a basic sanitation infrastructure, and better medical and hospital care.

I am very optimistic about our future. There is concrete evidence that allows me to say that my optimism is not merely a personal state of mind. As president of the nation, I am the standard-bearer of our fellow countrymen's confidence in a better future. I shall live up to these expectations. Until then, I expect the wholehearted cooperation of each and every one of the members of my team. I also expect to be able to count on the understanding of the national Congress and on the support of the various blocs whose leaders I thank for coming here today.

Please bear in mind that difficulties teach and strengthen us, while ease deludes and weakens us. No difficulty, no challenge, will reduce our hope and decision to build a just and prosperous future for our people. After all, Brazil demands and deserves this future. God will continue helping us in this endeavor. Thank you very much.

President Studying Dismissal of Closest Aides

PY1403033892 Rio de Janeiro O GLOBO in Portuguese 13 Mar 92 p 7

[Article by Helena Chagas and Roberto Stefanelli]

[Text] Brasilia—President Fernando Collor is studying an opportunity to conclude the process of changes in the government by replacing his closest aides, considered the last ties to the previous stage: Egberto Batista, regional development secretary; Pedro Paulo Leoni, strategic affairs secretary; and Claudio Vieira, private secretary. In a second group, also subject to an analysis by Planalto Palace, are Infrastructure Minister Joao Santana and Foreign Minister Francisco Rezek, the last two remaining members of the original team.

Collor has given signs that he intends to make the changes immediately, and that is reflected in his attitude. According to those who have spoken to him most recently, his state of euphoria has changed to a serenity that is often mistaken for distress and depression.

Military Household Chief General Agenor Homem de Carvalho will probably leave government soon, but honorably. According to a presidential adviser, one of the most difficult tasks for the government is to get rid of an aide responsible for the president's personal security.

One of the favorite targets of the new group of presidential advisers is Secretary Claudio Vieira, the main protagonist in the disagreement between Collor and his brother, Leopoldo, at the beginning of his government. At that time, Vieira and Leopoldo disputed the designation of who would be responsible for the release of government publicity funds.

Egberto Batista has practically lost his role in the government with the appointment of Ricardo Fiuza and has become almost a decorative figure, without the political force he had before.

This situation will be completed with the departure of Leoni, who, in the opinion of presidential aides, has reportedly extrapolated the functions of his post and created a network of influence in the government that extends to Petrobras [Brazilian Petroleum Corporation]. The situation of Foreign Minister Francisco Rezek is not as good at the Presidential Palace, where he faces the opposition of Marcos Coimbra, secretary general of the Presidency. Rezek's isolation became clear last week, when Collor decided to keep Ambassador Paulo Tarso Flecha de Lima in London, and the news reached the foreign minister some time later.

Military Household Chief Tenders Resignation

PY1403014292 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Mar 92 Section 1 p 4

[Article by Sonia Mossri, Brasilia Bureau]

[Text] Military Household Chief General Agenor Homem de Carvalho last week tendered his resignation to President Fernando Collor de Mello, who refuses to accept it in order not to aggravate the crisis created in the government by charges brought against former Labor and Social Welfare Minister Antonio Rogerio Magri. Planalto Palace is studying the possibility of granting General Carvalho a leave of absence.

Collor would rather wait for the results of a Federal Police inquest into the corruption charges brought against Magri before making a decision. In any case, although General Carvalho may come out of the inquest safe and sound, it will be very difficult for him to remain as chief of the Military Household.

In addition to a leave of absence, there are other possibilities for an honorable solution. One of them is the promotion of Homem de Carvalho (currently a brigade general) to division general in July and a transfer to a military command in October.

Planalto Palace has reached the point of thinking about creating another post at the Foreign Ministry to help General Carvalho. One of the proposals was to name him military adviser to the United Nations.

The general has practically suspended his activities at the Presidency. He is limited to sporadic meetings with Collor. On 9 March, he did not show up for the ministerial meeting on industrial productivity, resulting in comments among those present about his possible resignation.

General Antonio Luiz da Rocha Veneu, chief of the Armed Forces General Staff, sent more signals about General Carvalho's departure yesterday. He said: "No one is indispensable." According to him, there is unity both professionally and personally within the Armed Forces, and General Carvalho's possible successor would have a "similar record."

Rio Governor Expresses Support for Collor

PY1503023892 Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Mar 92 Section 1 p 6

["Exclusive" interview with Rio de Janeiro Governor Leonel Brizola by Rio de Janeiro bureau correspondent Fernando Gabeira on 9 March]

[Text] [Gabeira] How can your relations with Collor be described today?

[Brizola] He is a legally elected president, and he has three more years in the government. Our main goal is to guarantee that the country remains governable. If a president becomes estranged from the main states, he slips. I already have told Collor himself that I will combat any coup attempt against him, a rather historic feature in my career.

[Gabeira] Besides cooperating with Collor, the PDT [Democratic Worker's Party] reported the corruption in the Magri case.

[Brizola] The reports were made by Deputy Cidinha Campos, who concentrated on this case. In my opinion, when there is such a strong press campaign against a person, as in the Magri case, such a person is judged and destroyed beforehand. When the courts become involved in this case, he already will be politically finished. That campaign has been staged to catch petty thieves and to disguise the true problem, involving the passage of public money to private pockets with the privatization of the state-owned companies—such as the Usiminas [Minas Gerais Iron and Steel Mills, Inc.] case.

[Gabeira] Would the series of reports against ministers have a conspiratorial touch?

[Brizola] In key times, the press acts as a single party. This happened during the Cruzado Plan and, afterward, during the Collor Plan. Privatizations are a feature of the single-party dogma today. I believe the government lowered its guard when it fired [Health] Minister Alceni Guerra. Both [Bahia Governor] Antonio Carlos Magalhaes and [Globo Enterprises owner] Roberto Marinho benefited from this.

[Gabeira] Was not the campaign prompted rather by the government's mistakes?

[Brizola] The government is reaching its second year, and it already is reviewing some of its mistakes. Collor

has a certain autonomy; he is becoming mature, and he is not easily controllable like [former President Jose] Sarney. The latter indeed was a pachyderm who did not depart from his line of championing society's most conservative groups. In Collor's articles, I see a certain trend to reconcile liberalism with some social-democratic tenets.

[Gabeira] On this second anniversary, are the reports not coming too close to the people with power?

[Brizola] When all those batteries are aimed at the government, we must beware. Although reports still must be investigated, Minister Magri did not amass a great fortune. Brazilian history records many campaigns against corruption that were conducted to justify a coup—as the famous campaign called mud flow [mar de lama], an expression used by the right to attack the Vargas government. In our own case, the Banerj [Rio de Janeiro State Bank] intervention actually represented a political maneuver.

[Gabeira] What progress has been achieved in fighting violence during your second Rio de Janeiro governorship?

[Brizola] We are learning more each time. Death squads are being discovered and fought. There was an average of 35 crimes per day. This average dropped to 10 crimes per day. An important question to ask was, Where did the expelled military policemen go? Many of them joined those death squads. Private guards have substantially increased their ranks and today outnumber the civilian and military police. Many policemen work 24 hours and rest 72 hours. They have a chance to work as private guards during their spare time. In addition to this, there is the suburban lumpen entrepreneurs who pay to kill those suspected of thefts.

[Gabeira] The killing of children has become Brazil's main image problem on the eve of Eco-92 [UN Conference on Environment and Development].

[Brizola] This great problem was one of our basic concerns when we created the CIEP [Public Education Integrated Center] centers. Tomorrow, with the announcement of the [construction of the] Red Highway [Linha Vermelha] linking the airport with Rio de Janeiro, we will refute a myth. It was said that we only built CIEP centers on the highways, and we will build a highway near the CIEP centers in the shantytowns because people will now see that we also built schools in isolated places.

[Gabeira] Are the CIEP centers the only tactic in that field?

[Brizola] Television, and especially the Globo [Television Network], represents a great problem for children, in addition to the school dropout rate. Sometimes I believe that we build on a small scale what Globo destroys on a large scale, instigating violence. There are large cities in the world with a high rate of children's poverty, but without violence. In those countries, however, there is no Globo Television.

[Gabeira] Are there any security problems for Eco-92?

[Brizola] At the United Nations, we demonstrated that, despite our reduced funds, we are making all the required efforts for the conference to be safely held. It will be a decisive moment in human history and, concerning security terms, Rio de Janeiro's tourist sites where the delegates will circulate are not more dangerous than tourist sites in New York and Madrid, for example.

Collor Advocates Change to Parliamentary System

PY1403163092 Rio de Janeiro O GLOBO in Portuguese 9 Mar 92 p 3

[Article by Cristina Mendes Lobo]

[Text] Brasilia—President Collor is an advocate of the parliamentary system of government, and he has been campaigning on issues beyond the composition of his cabinet for some time already. Collor has been working on the issue, even though he has been careful not to hurt anyone's feelings and not to advance anything before Congress decides on the eventual change of the country's system of government. The president has drafted a plan for his campaign for the parliamentary system at the computer terminal installed in his office. He has also mounted a calendar on political negotiations until the end of his mandate.

The schedule is being implemented strictly. The February-March period will be used for negotiations in Congress to approve the amendment that precedes the plebiscite on the system of government. President Collor met with Governors Luiz Antonio Fleury Filho and Helio Garcia and obtained their support on the vote set for 21 April of next year on the initiative marking the plebiscite on the system of government .

Collor prepares his cards while negotiations continue—a draft proposal, in fact—for dissemination of the parliamentary system's advantages. The president's concerns are justified. He recalls being asked during a meeting with seven advocates of the parliamentary system about the model we should adopt in Brazil. He heard four different answers. He then included one more item in his political calendar: the immediate start of discussions on the parliamentary model to be proposed.

In one document, the president explains what is, in his opinion, the most adequate model for Brazil. The president studied different systems in effect throughout the world. He gathered information on the Portuguese, French, and German models and included items from the existing bureaucracies in Italy and France.

In his opinion, Brazil needs a parliamentary system that includes runoff elections, like in 1989, presidents elected for 6 year terms, and that permits reelections. This president would be installed on 1 January 1995. He would organize his majority in Congress and then elect a prime minister. The person so elected would have 10 days to elaborate a government program and present it to

the Chamber of Deputies, where it must be approved by an absolute majority. After the program is approved, the president would name the prime minister. The other ministers would be chosen by the prime minister.

Except in cases of successful no-confidence votes, the cabinet would have four years—the regular term for legislators—to implement its program with congressional support. If this is not possible, the president could choose a new head of government, or the prime minister could ask the president to call new elections after dissolving Congress.

When Congress rejects the nominee's government program, the president would elect a new candidate. If this second candidate cannot muster enough support to have his government program approved, Congress would propose its own candidate. When the absolute majority of deputies cannot agree on a candidate, the president would name the candidate who obtained the most votes, or he would call new elections in order to establish congressional majorities capable of supporting the government.

According to the parliamentary system Collor has in mind, the prime minister and ministers of state do not necessarily have to be deputies or senators. In his proposal, Collor notes that in most countries that have a parliamentary system, in practice, most ministers and prime ministers are legislators because the political party leaders are the most likely to enjoy majority support in Congress. Nevertheless, a person without a mandate may be elected for the most technical ministries or to carry out specific tasks.

According to the study, the ministers in a parliamentary system may be candidates to the Chamber of Deputies or Senate without leaving their posts. Should the Chamber of Deputies be dissolved, new elections should be set within a maximum of 45 days.

In pointing out the need to strengthen the political parties, Collor's draft states:

"A parliamentary system, above all, represents the government's integration with the parliament. The political parties will have to adapt to the new system, to become stronger, and to be able to form teams attuned with their ideas in case they should become the government."

The president of the Republic and the prime minister would have the following powers: The president would name the prime minister after his government program has been approved and would dismiss him when the Chamber of Deputies withdraws its support for the government. The president appoints and removes the ministers, but only at the prime minister's suggestion.

The president also names and promotes the Armed Forces' generals and, when necessary, decrees a state of siege, a state of defense, and the federal government's intervention in the states. In turn, the prime minister, in addition to choosing the ministers, names and dismisses those occupying important government posts and, after a qualification test, names the members of the government apparatus. The prime minister is responsible, in urgent and relevant cases, for submitting provisional measures to Congress. He also signs decrees and the necessary instructions for the fulfillment of laws.

Under the title, "Draft of a Parliamentary System," Collor made some 15 questions and answers to explain this system. Some of his questions are: "What is a parliamentary system?" or "If approved in a plebiscite, what will the Brazilian parliamentary system be like?" Collor justifies his proposal on the need for the executive and legislative branches to interact. "The important thing about a parliamentary system is the permanent dialogue between Congress and the government in a way that they are permanently integrated and that they both share the responsibility of the government's policy. The president alone has a set mandate with a deadline to leave. Deputies as well as ministers are free to resign whenever they have disagreements. In such a case, the nation will be asked its opinion through elections in which the electors will say who is right. If the government is able to obtain a majority in Congress, it will remain in power. If it loses the elections, a new government that has congressional support will be formed," according to Collor's proposal.

Article Discusses Slowdown of Privatization

PY1403211092 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Mar 92 p 8

[Article by Jo Galazi]

[Excerpt] Rio de Janeiro—The government had intended to sell two state enterprises per month, but it sold only one in February—Acos Finos Piratini [steel company]. The auction of Goiasfertil, also scheduled for February, was canceled the day before due to the lack of buyers. The only auction scheduled for March is that of Franave, set for 12 March. Petroflex was also supposed to be sold this month, on 18 March, but the auction was postponed until 10 April. In late January, Infrastructure Minister Joao Santana said that Cosipa [Sao Paulo Iron and Steel Company], Acominas [Minas Gerais Steel Company], and the National Iron and Steel Company (CSN)—which have just been included in the National Privatization Program (PND)—will be privatized by November. On 5 March, however, the PND executive board president and National Bank for Economic and Social Development (BNDES) Chairman Eduardo Modiano extended that deadline until early 1993 with the exception of Cosipa, which might be sold before the end of 1992. Cosipa lost a large part of the market with the recent privatization of Usiminas [Minas Gerais Iron and Steel Mills, Inc].

Moreover, the private investors on whom the government was counting are practically not participating in the privatization process, mainly because they refuse to pay the 25 percent discount in the government's favor on the value of the foreign debt bonds that they can use to buy the shares.

The BNDES is determined to change this requirement. It continues, however, unsuccessfully trying to convince the Central Bank to hold debt conversion auctions exclusively for privatization purposes. With this system, the market will set the discount on the bonds.

According to Modiano, the internal debt bonds are sufficient to guarantee the success of the privatization sales, but the rules for the participation of foreigners must be more flexible because they bring risk capital into the country. Once they acquire part of the company shares, foreigners are only allowed to purchase 40 percent of the offered shares. He added that capital throughout the world is becoming internationalized while, for the time being, only short-term money enters Brazil, which may leave at any moment. This is why Modiano believes conversion auctions are so important.

The BNDES chairman does not believe this problem will hinder the privatization process. Modiano said: "My commitment is not to privatize two enterprises per month, but rather to obtain the best price for the public assets." He asserted: "This program is not a sale of state enterprises based on the slogan 'Buy One and Take Another Free.'"

Modiano added: "Some months we may hold three auctions and in others none. The important thing is that we will always sell on the best terms and at the best time." Modiano commented that the program has privatized an average $300 million (504.3 billion cruzeiros) per month since the first auction—there have been seven so far—in October 1991. No other country has been that successful. [passage omitted]

Chile

Government, Opposition Agree on Regional Law

PY1403032892 Santiago Radio Cooperativa Network in Spanish 2200 GMT 13 Mar 92

[Text] Government representatives, coalition party leaders, and opposition leaders have agreed to respect the agenda for passage of the regional law. This was evident after the first meeting between these three groups at La Moneda Palace. The meeting was presided over by Interior Minister Enrique Krauss, Secretary General of Government Enrique Correa, and Secretary of the Presidency Edgardo Boeninger. The opposition was represented, among others, by the presidents of the National Renewal Party and the UDI [Independent Democratic Union] party. The ruling coalition was represented by the Socialist Party president and Christian Democratic Party Deputy Eugenio Ortega.

At the end of the meeting, Minister Enrique Correa said the political leaders present agreed on criteria and deadlines for approving the Regional Organic Law:

[Begin Correa recording] The government wants to reiterate its disposition toward and belief in the need to fulfill the political agreement. This means that Congress must pass the regional organic law 60 days after publication of the municipal law. Time is short. We want to consult with congressional committees in Valparaiso on 17 March. The different party bloc leaders, party presidents, and political area ministers may be present. On that occasion, we will confirm a definitive schedule for passage of this law in both chambers of Congress. [end recording]

Correa said that passage of this law will permit constitution of electoral colleges in each region by 11 October, in order to elect the regional councils that will rule along with the intendant.

[Begin Correa recording] These electoral colleges will be created at plenum meetings attended by all councilmen from all regional municipalities. The regional councils will have unheard-of attributes. They will have powers that are currently in the hands of the central government in matters pertaining to investments, infrastructure, regional development, and the standard of living of their populations. [end recording]

UDI president Jovino Novoa said the government project puts together the essential parts of the political agreement, adding that the regional organic law is well on track for approval. The Municipal Law has been passed, and we hope that the new municipal authorities and those who end up being elected to the regional councils will be able to work harmoniously to develop their regions, Novoa concluded.

PRN Leader Says Government Priorities Mistaken

PY1403130092 Santiago Radio Cooperativa Network in Spanish 2200 GMT 12 Mar 92

[Text] Andres Allamand, president of the National Renewal Party, PRN, has said that President Patricio Aylwin's statements on constitutional reforms confirm that the government has mistaken its priorities.

Allamand reiterated his opposition to make the issue of constitutional reform the main topic of the upcoming municipal campaign:

[Begin recording] We think that the most urgent priorities of the government and congress at this time must be to resolve pending social problems. There is much work to be done in the areas of health, housing, social spending, eradication of poverty, citizens' security, and the rationalization of the country. We think that the government, by giving priority to essentially political issues, is misdirecting its responsibilities. [end recording]

According to Allamand, the importance the government gives to the issue will change the nature of municipal elections.

[Begin recording] June elections will be the first municipal elections in Chile in 20 years. It is the best opportunity to encourage democratic participation and to introduce a modern concept of municipal government. It

is the best chance for political leaders and candidates to discuss how to solve neighborhood problems. [end recording]

According to Allamand, all goals must be campatible with the value given to the stability of institutions. Allamand added that President Aylwin said that the constitutional reforms will be implemented after his term in office. Therefore, it is not necessary to discuss them now because those topics should be discussed at the end of the present mandate, Allamand concluded.

Colombia

Government Accepts Talks With Socialist Renewal

PA1503032492 Santa Fe de Bogota EL TIEMPO in Spanish 7 Mar 92 p 14a

[Text] The government expressed its willingness on 6 March to start direct talks with the Socialist Renewal Movement, a splinter group of the Popular Liberation Army (EPL).

The government's announcement follows the movement's request last February to fix direct and public talks with the executive branch to seek rapprochements that facilitate a negotiated solution to the country's social and political conflict.

"The government understands that one of its obligations is to seek harmony among Colombians and generate conditions so citizens that have chosen the path of armed subversion can fully return to society as normal citizens," the communique says.

In this regard, the government views the movement's request with special attention.

The communique signed by Presidential Peace Adviser Horacio Serpa says that the country has undergone profound changes in its institutional structure and in the basic principles that rule its democratic life.

The communique ends by stating that these additional elements, combined with its political determination to solve the armed conflict through understanding and agreements, "induce the government to state that it is willing to seek points of agreement with the movement that will allow it to progress in the search for peace."

Official sources said talks with movement spokesmen will take place in Colombia on a still-to-be determined date, although it is likely that a peace advisers' team will start the formal dialogue process in a few days.

Armed Forces Advises Caution With CNGSB

PA1503024292 Santa Fe de Bogota EL TIEMPO in Spanish 8 Mar 92 p 12a

[Text] The way the Armed Forces perceives the peace talks scheduled to resume on 9 March is indicated in a confidential document currently circulating at the highest levels of the military institution.

The attitude to be adopted by the government negotiators who must face the CNGSB [Simon Bolivar National Guerrilla Coordinating Board] spokesmen, as well as the prospects awaiting Colombia should the peace process fail once more, are contained in a five-page document. The key points of this document are as follows:

"There is no doubt that the subversion has gone too far. Not so far, however, that we have to surrender every territory, as well as open all doors and give them everything they ask for.

"Until now, the power of the state has not been used to its full extent. There is still a lot of dissuasive capability to be utilized.

"The Revolutionary Armed Forces of Colombia and the Army of National Liberation have boasted of their ability to cause damage, but not their capacity to destabilize.

"To attack and attack without obtaining any clear military or political victory, without capturing any territory, without winning supporters, and without receiving popular support, does not say much about effective strategy.

"So far, the CNGSB has expressed its desire for peace: the state's peace towards them, but not their peace towards the state.

"Every government negotiator must understand that he is going to discuss issues that are very significant to the nation, with people who are inculcated with rigid Marxist ideology. The philosophy of this ideology teaches its practitioners to be masters of deceit.

"In order to negotiate with the CNGSB, it is not possible to improvise. One must be aware of what one is going up against. In addition, it is not possible to enter the negotiation armed solely with goodwill and patriotism."

Guerrilla's Reportedly End 'Offensive Operations'

PA1603040492 Paris AFP in Spanish 0105 GMT 16 Mar 92

[Text] Bogota, 15 Mar (AFP)—Radio Caracol, a private Bogota radio station, reported on 15 March that the Simon Bolivar National Guerrilla Coordinating Board reportedly has ordered its guerrilla fronts to suspend offensive operations against military and economic targets in Colombia, to facilitate the peace talks with the Colombian Government in Tlaxcala, Mexico.

The radio station quoted a rebel spokesman reporting this does not signify a cease-fire because the guerrillas will respond to any aggression from the public forces.

The Guerrilla Coordinating Board, which comprises 9,000 people belonging to the Revolutionary Armed Forces of Colombia and the National Liberation Army, has already held one week of talks with government delegates in Mexico.

This round of talks follows a six-month lapse following the last round of talks in Caracas.

The source said that the recommendation to the fronts was issued on 15 March and, for this reason, many fronts still do not know about it. He told Caracol the guerrilla board made this decision because it believes the peace process must be irreversible and should produce no winner or loser. "The only winner out of all this has to be the Colombian people and the poor sectors," he said.

The source also denied reports of divisions in the guerrilla board, as the Colombian military intelligence sector has been trying to portray. He said reports that the guerrillas do not want peace are false. If this were true, he said, the guerrillas would not be holding peace talks at this very moment. The source noted the guerrillas are not going to end the armed struggle in Colombia in exchange for three or four positions in the government, as some Colombian sectors believe.

Regarding the issue of kidnappings, the source said this subject will be addressed in Tlaxcala as soon as the government of President Cesar Gaviria moves to clear up missing persons cases. These cases have been denounced by both rebel and human rights organizations.

The source said that it fully believes the talks will have positive results and that now, with the presence of ministers in Tlaxcala, government policies must be clearly articulated. The source said the guerrillas' most well-known spokesmen will enunciate the rebels' position on each issue.

The source noted there will be difficult moments during the talks in Mexico and suggested the two sides must hold a firm resolve that the obstacles will be overcome.

Military To Increase Budget by $210 Million

PA1603041892 Mexico City NOTIMEX in Spanish 2303 GMT 15 Mar 92

[Text] Santa Fe de Bogota, 15 Mar (NOTIMEX)—The Colombian Government plans to add $210 million to its military budget for the counterinsurgency struggle, according to a Finance Ministry document that came to light in the capital on 15 March.

Defense Minister Rafael Pardo Rueda said on 15 March that the document clearly indicates that, where the guerrillas are concerned, the government is determined "not to put all its eggs in one basket."

In other words, there will be a two-pronged policy: dialogue, and at the same time, implementation of a plan to substantially bolster the military apparatus for the struggle against rebel groups.

NOTIMEX learned on 15 March that one-fourth of the additional resources the government plans to obtain through an in-depth tax reform will be used to finance new military units. Under the tax reform bill, a surtax on income and a tax on oil exports would generate some $120 billion pesos ($210 million), to be used to increase the military budget.

These resources are earmarked for buttressing counterinsurgency intelligence services, creating mobile antisubversive brigades within the Army, and recruiting 5,700 new members for the National Police. The new policemen will be charged with guarding "critical points" of the country's energy infrastructure susceptible to guerrilla attacks.

A Finance Ministry document which explains the scope of the in-depth tax reform proposed to Congress last week, by means of which the government hopes to obtain 540 billion pesos (some $900 million) in additional resources. [sentence as received]

Finance Minister Rudolf Hommes said the major part of the special budget allocation will be used for social purposes and to revitalize the economy, although he admitted that one-fourth will be used for military expenditures.

"The fact is that the country has a serious security problem and has to invest money to solve it," he said.

Agriculture Minister Alfonso Lopez Caballero said that his sector is the most affected by the irregular warfare underway in Colombia.

"Violence is the number one problem in the countryside," he said, adding that all resources allocated for ending that phenomenon "are not neutral, but productive investments, because they help to improve the climate in our agricultural sector."

The finance minister expressed the opinion that "the variable that weighs most heavily against investment in Colombia is the lack of security, and enormous amounts of money are needed to combat it."

Actually, the antisubversive expenditures proposed in the tax reform bill are no more than an extension of the so-called "war taxes" the government established in 1991. Those taxes involved a special levy on oil, coal, and ferronickel exports, as well as on some public services, including international telephone calls and domestic electricity. The bill presented to the Congress calls for retaining those taxes, which are expected to generate 15.5 billion pesos ($25.8 million).

In addition, the bill proposes imposition of a 17-percent surtax on income taxes, which is expected to produce an additional 111 billion pesos ($185 million), already earmarked for the government's military budget.

Although the reform proposed by the Finance Ministry has met a great deal of opposition in the Congress, analysts believe it will pass, because President Cesar Gaviria has demanded that the various political parties with positions in the government apparatus show "loyalty" to the administration.

Government Minister Humberto de la Calle Lombana said very clearly on 14 March that, in parallel with the dialogue with the guerrillas in Mexico, the government will continue its plans to reinforce the military apparatus, particularly in areas directed against the rebel groups.

By official estimates, Colombia's military budget, which totals close to $1 billion, will increase 150 percent within three years, to reach $1.5 billion in 1995 [figures as received].

Rebel Attack on Oil Pipeline Segment Reported

PA1403163892 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 14 Mar 92

[Report by Gilberto Buitrago Neira from Pelaya, Cesar Department]

[Text] Despite Army efforts to prevent attacks to the Cano-Limon-Covenas oil pipeline, attacks still occur with predictable results. Guerrillas have destroyed nine segments over the past 60 days, which has affected Arauca, Cesar, and Norte de Santander Departments.

The 13 March attack to the pipeline near Pelaya, in southern Cesar Department, caused a fire that lasted 14 hours, wiped out crops and vegetation, and caused undetermined economic losses. Area inhabitants and Colombian Petroleum Enterprise employees worked hurriedly to reestablish the pumping of 250,000 bpd that was interrupted at the 420-km marker.

The pumping of crude oil will not be reestablished until 14 March.

Police Discover Weapons Arsenal Near Army Base

PA1303201892 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 13 Mar 92

[Report by Pilar Hung]

[Text] Revolutionary Armed Forces of Colombia [FARC] guerrillas were preparing a sinister terrorist plan in Buga. A weapons arsenal—including 50 kg of dynamite, grenades, submachine guns, radio communication equipment, and 15 hoods marked FARC—was found following a police raid at a house in a poor neighborhood of Buga, near Army battalion headquarters .

According to authorities, a FARC urban cell was training there. Unidentified individuals rented the house on 10 March, which is located in the Alto Bonito neighborhood a few blocks from Palace Battalion headquarters in Buga.

Police raided the house on the morning of 13 March. They found five Ingram submachine guns, one Uzi submachine gun, one rocket, 15 revolvers, ammunition for R-15 and Galil rifles, and bullets for unspecified weapons. They also found 50 kg of dynamite, matches, 15 American and Israeli-made grenades, radio equipment tuned to the police frequency, four homemade bombs, pistols with silencers, hoods marked FARC, police and army uniforms, and shoes and boots for 17 people. According to the police, a FARC urban cell was being organized at this house.

Although it is not yet known how this arsenal was going to be used, it is believed that the rebels' objective could have been to launch a terrorist attack against a military garrison. This is because the house is strategically located at a high elevation, clearly overlooking the Palace Battalion and these transmitters [video shows reporter pointing to transmission equipment], and where a military base also operates.

Paraguay

Rodriguez, Argentina's Menem Sign Declaration

PY1403192492 Asuncion ABC COLOR in Spanish 14 Mar 92 p 9

[Report by special correspondent]

[Text] Buenos Aires--President Andres Rodriguez and Argentine President Carlos Saul Menem signed a five-point joint declaration last night. In the declaration, both presidents commit themselves to building the Corpus hydroelectric dam and another bridge over the Parana River that will unite the towns of Presidente Franco [Paraguay] and Iguazu [Argentina].

The joint declaration signed by President Rodriguez and Menem states in its first point that the chiefs of state have expressed their satisfaction over the exchange of notes on 9 January that will allow for concluding the Yacyreta binational project and the start of operations according to the established timetable.

The joint declaration states in its second point that they express their categorical support for continuing studies on building the Corpus binational hydroelectric project that will help to achieve vast and ample integration in the energy area within the framework of the Mercosur [Common Market of the South].

The third point establishes the instruction of both countries' foreign ministers to sign notes on the streamlining and duties of the Parana River Joint Commission (Comip) on the occasion of the Rio Group meeting to be held in Buenos Aires.

The fourth point establishes that during the Rio Group meeting, the Paraguayan and Argentine foreign ministers will invite their sister nation, Bolivia, to formally adhere to the tripartite agreement on the multiple exploitation of the Pilcomayo River basin to seek a joint solution aimed at halting the regression of the Pilcomayo River basin.

In its fifth point, the joint declaration expresses support for feasibility studies being conducted on building a bridge on the Parana River in the Iguazu region through a system of concessions for building and exploiting public works [bajo el regimen the concesion de obras

publicas]. This will help to strengthen the existing friendship and integration ties between both countries.

Before Menem and Rodriguez signed the joint declaration, Argentine Foreign Minister Guido di Tella told journalists yesterday that the delays and cost increases the Yacyreta project experienced cannot be tolerated in building Corpus.

Di Tella said: "We have learned from the difficult experience of Yacyreta, which lasted too many years and experienced too many complications and cost increases, that we cannot repeat this experience. I believe that private business is the right answer to the Corpus project."

Asked about the Argentine Government's position regarding Corpus, he said: "We will not support any solution that does not include private business with the full backing of the respective governments." He added that this "is the Argentine Government's policy; and I believe it is also the policy upheld by the Paraguayan Government."

Di Tella also said: "I believe there will be no disagreements in that the construction must be done by private investors."

After his arrival in Buenos Aires, Rodriguez said that continuing the construction of the Yacyreta dam is a fact. Asked about a statement made by Menem who said that "Yacyreta is a monument to corruption," Rodriguez said: "That was before, but several measures have been adopted; and I believe this situation has changed."

As an example of these measures, Rodriguez said that both Paraguay and Argentina have implemented a large cut in the number of management personnel.

Asked if Paraguay is interested in purchasing gas from Argentina, (through a gas pipeline), Rodriguez did not reject this possibility, but he declined to comment further.

Moreover, tomorrow Rodriguez will attend the Latin American Jockey Clubs grand prix race at the San Isidro racetrack. According to sources close to the presidential entourage, he is scheduled to return to Asuncion on 15 March.

Through Decree No. 12,868 issued yesterday, General Orlando Machuca Vargas was appointed acting president while President Rodriguez is out of the country.

Souto Rules Out Possibility of Military Coup

PY1403031692 Asuncion NOTICIAS in Spanish 13 Mar 92 p 5

[Text] During a ceremony attended by U.S. Ambassador to Paraguay Jon Glassman, Defense Minister Angel Souto Hernandez ruled out the possibility of a military coup to install a de facto government.

As for concern within political circles about the Armed Forces involved in politics, Souto said: "Democracy is built by changing the way of thinking of civilians and military men."

In this regard, Souto urged people to work together to meet these objectives. He assured that "efforts will be made to avoid any type of coup or obstacle that could hinder the work we are conducting."

Souto pointed out that the ghost of a coup has disappeared in the country but could not assure that the forces that could cause it have definitely disappeared. He said that everything has to do with the people's way of thinking.

He said some time is still needed to meet the objectives of the transition process. "This is obvious. I cannot change anyone by saying: You will change as of today. I cannot ask a Cerro Porteno soccer team fan to immediately become an Olimpia soccer team follower. He will say yes, but he may not tell the truth."

He said that the objectives are being met, however. He also reaffirmed his confidence that there will be no more coups in the country. "This ghost will disappear if we achieve the process with tranquillity."

He noted that tolerance in the various levels of our society contributes to the success of the democratic transition.

Concerning military men affiliated with the Colorado Party, he said that past conditions made them adopt this decision. He added that they will continue to be Colorado Party members even if they are ordered to leave the organization.

Souto also referred to military men's current way of thinking. He said they have already overcome former taboos and that they can coexist with a society that can voice its disagreement. He said: "This was completely impossible in the past."

Souto's statements were followed by Glassman, who voiced his pleasure with the current local political process.

Glassman told reporters that the Armed Forces are subordinate to the political power in a full democracy.

Army Commander Views U.S. Ambassador's Remarks

PY1303231092 Asuncion ULTIMA HORA in Spanish 13 Mar 92 p 11

[Text] Army Commander General Humberto Garcete was asked at Silvio Pettirossi Airport this morning about remarks made by U.S. Ambassador Jon Glassman that were published yesterday, and he said: "The general instruction we are giving is that no member of the Armed Forces can get involved in politics, because it is not our field."

During a ceremony at the National War School, the U.S. ambassador said that the Armed Forces must not meddle in politics nor should they be members of a political party and that they "must be subordinate to the political power."

General Garcete said he was surprised by Glassman's remarks on alleged military participation in political matters. "I am more surprised by the fact that Ambassador Glassman did not say, for example, who is or who

are meddling in political affairs and in what manner. Perhaps we are involved in the government's general policy because we are part of it. We, the Armed Forces, are governing the country, and we are supporting the current president's government policy. Involvement in politics is absolutely forbidden, however; that is the general instruction given by the commander in chief and it is also the order given by the commander of the Army and of the Armed Forces. You can rest assured that this order will be followed," he said

When asked whether one could deduce from these remarks that the military factor is not yet subordinate to political power, he said; "The military factor has always been subordinate to political power, I think. Now and in the past, the political power has always been headed by a general. The Armed Forces, however, have been subordinate to the political power and will continue in this manner."

Garcete added: "For the tranquillity of the people, I want everyone to know, once and for all, that the Armed Forces are disciplined and that we are going to respect the hierarchical ranks. You can be sure that whatever the government does and whoever heads the political power, the Armed Forces will be subordinate to the political power. It is obvious that the commander in chief of the Armed Forces is the president of the Republic."

Garcete added: "If the head of the political power becomes a civilian, you can be certain that the Armed Forces, as a disciplined force, will fully comply with the guidelines of the political power."

He said: "Conscientiously, we know that our military profession does not allow us to get involved in politics. Thus, every one of us will conscientiously comply with the law."

Peru

President Fujimori Makes State Visit to Japan

WA1603131792

For reportage on the weeklong visit by President Alberto Fujimori to Japan, including reports on his talks with Japanese Prime Minister Kiichi Miyazawa, and his speech to the Japanese Diet, please see the Japan section of the 16 March East Asia DAILY REPORT and subsequent issues.

Minister on Terrorism, Human Rights Policies

PY1403013092 Lima EXPRESO in Spanish 23 Feb 92 p 5

[Interview with Interior Minister General Juan Briones, retired, by Virginia Rey-Sanchez; place and date not given—answers given in writing]

[Text] [Rey-Sanchez] Will the recent tide of terrorist attacks force Dircote [Counterterrorism Division] to review its antiterrorist strategy?

[Briones] The government designed the antisubversive strategy that is being implemented in the country. It is an integrated, permanent strategy that is being constantly evaluated. Adjustments or modifications are introduced according to different situations, but always maintaining a uniform policy with defined criteria and objectives. The forces of order fulfill a specific role in the military-police areas and Dircote fulfills a specialized role within the National Police. It investigates the crime of terrorism in all its aspects.

Throughout the past years, Dircote has been fulfilling its role with thorough dedication despite a lack of technical and logistical resources made necessary by the situation. Dircote's achievements are well known. Current Dircote commanders obtained my office's approval to review Dircote's strategy, however, seeking to face the fight on terrorism in a more integrated and efficient way by giving priority to intelligence activities. The results will only be seen in the medium term because a series of tasks that cannot be mentioned for obvious reasons must be implemented first. We want to make clear, though, that Dircote will develop its activities within the framework of the Constitution and the laws and with respect for human rights.

[Rey-Sanchez] Late community leader Maria Elena Moyano, who was murdered by terrorists, repeatedly asked for cooperation between the military forces and civic organizations. Is it not possible to establish more coordination between civilians and police organizations?

[Briones] One of the most important goals of the government's antiterrorist strategy is to obtain the people's participation. The forces of order have supported civilian organizations grouped in the so-called self-defense committees, which were legally recognized by Legislative Decree No. 741, dated 8 November 1991. The forces of order support peasant organizations because they constitute autonomous efforts to defend the population from subversive activities. The forces of order are also broadening their civic action programs to contribute to the development of different community projects through which the state strengthens its relations with civilian organizations.

[Rey-Sanchez] Do you think the amendments introduced by Congress into the legislative decrees on pacification were appropriate?

[Briones] My team participated in formulating the draft proposals for the legislative decrees in areas within our responsibility. The legislators seek to modernize the state structure, making it more practical and viable in facing present challenges to Peruvian society, particularly in matters pertaining to terrorism, drug trafficking, and common crime. Their efforts are also aimed at establishing more consistency in the operation of the different state organizations that participate in the fight against crime and national pacification.

The legislative decrees were submitted to Congress in accordance with the Constitution. The legislators, in the

context mentioned above, considered the introduction of some changes appropriate.

[Rey-Sanchez] How to take Peru out of first place on the list of countries with missing people? Some experts think that those responsible should be publicly sanctioned as a dissuasive measure. What is your opinion on this matter?

[Briones] First, we have to point out that the country lives in a situation of violence generated by subversive groups that use terror, death, and destruction of the national patrimony to instill fear into the population and force it to follow their obscure designs.

The problem of missing people appears within the framework of this violence. The deaths and human rights violations, which are carried out primarily by terrorist groups, are also within this framework.

What simply happens is that terrorist violence generates violent responses from the forces of order. The government is determined to eradicate it, however, because we believe that terrorist violence must be faced with the force of the law invested with an essential and unrestricted respect for human rights.

In order to control violence generated by the forces of order, the Interior Ministry has been implementing an organic series of measures that essentially cover the following:

a) The training system for National Police personnel has been reformulated and the doctrine and practice of human rights have been incorporated into their studies. This action has been extended to current police personnel through processes in which a lot of emphasis is placed on doctrine, morals, and discipline.

b) We have created a system for the defense of human rights in the country's interior. We have opened human rights offices at different levels of the National Police and government structures. These offices are coordinated by a national committee that promotes actions oriented to encourage respect for human rights.

c) We have established summary proceedings to investigate and severe penalties to punish human rights violations by the National Police. In the past 12 months, 41 National Police agents have been dismissed from service through this process.

d) Finally, we have signed an agreement with the U.S. Government to create a national registry of arrestees in coordination with the Public Attorney's Office. This registration will be used for true and quick reference and as a way to verify the situation of people who are under arrest throughout the country.

Rebels Attack Army Patrol Outside University

PA1303193592 Paris AFP in Spanish 1834 GMT 13 Mar 92

[Text] Lima, 13 Mar (AFP)—On 13 March a Shining Path terrorist commando unit killed four soldiers in an attack against a detachment guarding Lima's National Engineering University, the authorities reported.

Two other soldiers were injured in the attack conducted by eight Shining Path armed rebels, according to the soldiers involved. They added the rebels came out of the university campus and, after surprising the patrol, fired at the soldiers guarding one of the main gates.

Immediately following the attack, combined Army and National Police troops began a search operation in Lima's vast northern sector, where the university campus is located, an area very close to the Armored Division garrison.

The agents found the car used by the rebels to escape six blocks from the university and arrested dozens of suspects in house to house searches, according to preliminary reports. Eyewitnesses said two soldiers died instantly and two others were taken to the Cayetano Heredia Hospital, in the densely populated Rimac District, where they died. Sources at the hospital said the condition of the injured policemen is serious. The Armed Forces have been guarding the country's major universities for several months on government orders to keep the universities from being used as havens for terrorists. The authorities indicated this is the first major attack conducted on the detachments sent to protect the universities.

* Military Presence in 5 Universities Continues

92WR0210Z Lima EL COMERCIO in Spanish 13 Feb 92 p A7

[Text] Yesterday the defense minister, Victor Malca Villanueva, announced that the armed forces would remain in the universities to restore the principle of authority and to establish the right of thousands of university attendees to study.

He announced this to a Standing Committee in Congress, which he visited with the interior minister, Juan Briones Davila, to report on the armed forces and police intervention in five national universities. His intent was also to explain the comments made by the head of the Armed Forces Joint Command, General Nicolas Hermoza Rios.

Minister Malca Villanueva informed the congressional delegation that the court decision ordering the ouster of the armed forces from San Marcos and La Cantuta Universities had been appealed. Therefore, they remained in Cantuta, complying with orders from the head of state.

He added that, as of yesterday, the San Marcos rector himself had not made use of the authority granted him by Article 31 of Decree 23598, to petition the judge for the armed forces withdrawal.

He justified the intervention by the forces of order in the San Marcos University establishments both in university city and in San Fernando; Jose Faustino Sanchez Carrion, in Huacho; National Central; Technical, in Callao; and La Cantuta, in Chosica. He claimed that there was evidence of proselytizing efforts by the violent groups in the student dining halls and residences.

He indicated that the results had been satisfactory, because there is now greater control and order in the universities, and the subversive activities have declined. At the same time, the principle of authority has been reinstated.

Comments by Hermoza Rios

It was the comments made by the head of the Armed Forces Joint Command, General Nicolas Hermoza, that evoked the sharpest criticism from the congressmen, especially from Deputy Victor Andres Garcia Belaunde. The deputy went so far as to request "a reprimand and and admonition," for the General overstepping his remarks, which the Populist deputy considered political.

At the opening of the session, the request from the interior and defense ministers for holding a secret session was rejected by a wide majority.

* New SNE President on Exchange Rate Policy

92SM0292C Lima EL COMERCIO in Spanish
19 Feb 92 p B6

[Text] The only solution for the export sector is to reduce costs, according to new National Exporters Society (SNE) President Arturo Woodman Pollit, in an interview with EL COMERCIO.

Members of this sector are not content with the price of the dollar, he pointed out, but we are aware of how difficult it is for the government to succeed in raising the exchange rate.

Until that happens, he said, we are involved in a very complicated situation, and to change it the SNE will seek a rate of exchange determined by supply and demand in the money market.

With respect to the strategy they will take to correct the situation, Woodman explained that it will involve reducing costs without increasing inflation, and that he is confident that interest rates will decline.

On that matter, he insisted that supply and demand should reflect their true and correct strengths, which is not the case under current circumstances because the market is not free of interference.

He also added that an extremely strong privatization program is needed as a means to reduce the costs of needed inputs, such as energy and oil.

"They talk of penalties for those who do not strictly comply with paying their taxes, but the State fails to intervene in those enterprises that produce nothing but losses for the country," he commented.

The new SNE president is an agroindustrial businessman associated with the Romero Group. Woodman was elected unanimously by the General Assembly and succeeds Juan Francisco Raffo, founder of the organization.

The new board of directors will include Javier Reategui Rosello as first vice president, and Ivo Ucovich Dorsner as second.

On assuming the presidency, Woodman indicated that the Exporters Society will continue lending technical support to the 24 areas comprising the sector, and that they comprise almost 80 percent of export potential in Peru, to the benefit of the country's economic development.

* Status of Public Sector Resignations Viewed

92SM0292D Lima EXPRESO in Spanish
13 Feb 92 p A16

[Text] As of the first week of January, only 79,259 employees, out of a total of 300,000, had resigned under the State plan, thus demonstrating that the program to reduce the size of the State apparatus has not been working adequately, particularly now that there is an urgent need to reduce State expenditures.

According to the National Institute of Public Administration (INAP), the low number of resignations is explained by DS [Supreme Decree] 004-91-PCM, which exempts from the voluntary resignation program those workers belonging to the Judicial Branch (judges and administrators), the Public Ministry (accountants and human resources), Court Personnel (counselers and administrators), health professionals, and finally, the military and police.

It is possible that a small percentage of workers will still opt for the resignation program over the next few months because many ministries have requested an extension of the final deadline. Among the solicitants are the Ministries of Economy, Public Health, and Energy and Mines.

According to figures for the first month of 1992, the central government has received voluntary resignations from 60,142 workers, while only 18,000 in the public enterprises had chosen the retirement programs.

However, it is known that because of the recent reorganization of the Superintendency of Tax Administration, 430 workers in Lima are now reporting to the INAP for a period of eight months. After that time, they will be given the ten months' pay the State has committed to them in accepting their resignations.

* Bank Merger Under Way Despite Decree Repeal

92SM0292B Lima EXPRESO in Spanish 13 Feb 92 p A16

[Text] Despite Congress's passage of the Emergency Agriculture Law, which superseded Legislative Decree [DL] 754 creating the National Development Bank, an official from the Superintendency of Banking and Insurance (SBS) stated that the process of merging the Agricultural, Industrial, Mining, and Housing Banks continues unimpeded.

According to him, the committees formed within the four banks—presided over by SBS officials—will continue their intense work to complete the merger shortly.

The official indicated that the repeal of DL 754 did not constitute an obstacle to the task of merging the banks, given that the Financial System Regulations "implemented during the Alan Garcia administration," which also attempted the creation of a development bank, continue to be in effect.

Nevertheless, he added that there are some discrepancies in the aforementioned decree, since it calls for the development bank to be classified at the highest level, while the current government's decree classifies it at the secondary level, that is, it cannot take in or place loans.

Another difference is that the transfer of the assets of the existing banks should be from the provincial level to the regions; that is, there should be a kind of regional development bank. The repealed law called for only one bank, in Lima, which would manage all the loans.

"In any case," the SBS official added, "the institution is considering –as a function of its role—the previous legislation for carrying out the merger. Although there is some uncertainty with respect to the development bank's future, what is clear is that the activities carried out by the SBS have been endorsed by the previous legislation."

He also indicated that in the bank merger process, some pending loan disbursements have occurred among the banks, which is the case of the Housing Bank, where "more loans were granted last month than in any other period."

Nevertheless, he said that there is still one serious obstacle, which consists in knowing what will happen to the large loan portfolio the two banks currently carry. On that issue, the official indicated that each committee will be reviewing its portfolio, for the express purpose of knowing the exact amount of the debt and to take measures to that effect. "We want to recover most of it," he said.

Venezuela

Defense Minister Rejects Foreign Intervention

PA1603152192 Hamburg DPA in Spanish 1444 GMT 16 Mar 92

[Text] Caracas, 16 Mar (DPA)—The Armed Forces of Venezuela will flatly reject the intervention of any foreign country or organization, even if there is a new military coup against the democratic system of the country, Defense Minister General Fernando Ochoa Antich has warned.

"Our country has always been an example of sovereignty," Ochoa Antich told the press in the first reaction to statements made by U.S. Ambassador to the OAS Luigi Einaudi, who said the OAS would react immediately in the event of a new military coup.

Einaudi—who is visiting in Caracas to study the repercussions of the foiled military uprising of early February—announced that in 1991 the 34 OAS members approved in Santiago, Chile, automatic solidarity mechanisms if the constitutional system were to be severed in any country of the region.

In an interview with the daily EL GLOBO, the defense minister said the U.S. ambassador's remarks reveal a "traditional foreign policy," and do not specifically refer to the case of Venezuela, but to all of Latin America.

After voicing a strong warning, Ochoa Antich rejected the rumors about the possibility of a new military rebellion in Venezuela. He reaffirmed once again "the normalcy and discipline" within the Armed Forces ranks.

"I, as well as everyone else, flatly reject that anything like that can happen. I trust the Venezuelan people," the minister concluded.

Political Leaders Comment on Perez Speech

PA1303205692 Caracas Venezolana de Television Network in Spanish 1550 GMT 13 Mar 92

[Text] Most of the various political parties represented in the Congress of the Republic concurred on 12 March that the speech by President Carlos Andres Perez to the Congress of the Republic showed a strong conviction to change the socioeconomic program.

[Begin recording] [Democratic Action, AD, Senator Octavio Lepage] I think the speech is basically positive. The president remains firm about correcting mistakes, reviewing policies, and listening to the urgent demands of Venezuelans, chiefly the demands from the low income and middle class sectors, which have been the hardest hit all along by the very tight economic situation we are experiencing.

[Former President Luis Herrera Campins] His speech included words such as revisions, reforms, and changes, which formerly did not exist in the president's vocabulary. Considering all the different demands for reforms,

I hope the barrage of promises the president always makes can—and must—be kept. In order to achieve that, the opposition parties and the news media must demand that they be kept. To be sure, I also feel the president's message mentioned topics such as agriculture, which he omitted in his previous speeches to the legislative commissions and which certainly represent one of the pillars of the economy.

[AD bloc leader Henry Ramos] The president's speech was particularly unique, in that he moved away from the traditional presidential speeches, which consist of giving a series of detailed reports on projects carried out or still pending. Reflecting the situation in Venezuela, the tremendous difficulties we are experiencing, President Perez gave a simple, modest, and very sincere speech and, most of all, made specific proposals for reforms to all of us and about what we must do in the near future.

I truly congratulate Perez for choosing to give this sort of speech, instead of resorting to the grandiloquent speeches presidents traditionally give, which end up creating more skepticism among the people. I do want to say one more time now, and I share the views expressed by the president, that a solely political solution to a crisis that is basically political and social will not resolve a thing.

[Social Christian Party leader Hilarion Cardozo] His repeated statements against corruption deserve the full support of the country. The country must demand action, not just words. The sections of the speech dealing with jobs, security, agriculture—meaning bread and food—housing, and health deserve our full support. That is why I think that in general terms the speech reflects a commitment to make changes and reforms, which we must encourage.

[Formula Uno member Rhona Ottolina] I think the president is making the huge effort he must in order to ride the country out of this crisis, perform his duties as head of state, and thus consolidate democracy. There are a series of vested or opportunistic interests that want to change the system, simply so they can take over or simply to confuse the people.

[Movement for Socialism leader Teodoro Petkoff] Just as he says: Let us get working. I say actions speak louder than words. Let him do the things he is saying.

[Presidential Consultative Council Chairman Pedro Aguilar] The president told congress on 12 March that his government has made mistakes and is ready to amend them. I hope that is the positive meaning of the president's message. [end recording]

Fourth Day of Demonstrations Reported in Merida

PA1403031592 Mexico City NOTIMEX in Spanish 1759 GMT 13 Mar 92

[Text] Caracas, 13 Mar (NOTIMEX)—The Andean city of Merida reported its fourth consecutive day of student demonstrations on 13 March, while the police and military-controlled National Guard have remained confined to quarters in anticipation of disturbances.

Students staged antigovernment demonstrations in the downtown area of that regional capital, 680 km southwest of Caracas, while riot troops remained nearby, but reported no clashes, according to the police.

Earlier in the day a group of high school students gathered in front of a National Minors Institute detention center. They demanded the release of 15 schoolmates, who had been detained on 12 March. Commissioner Vicente Noguera said by telephone that the students were released and the demonstration broke up.

Caracas radio station YVKE Mundial pointed out that Nestor Lopez, rector of the Los Andes University (ULA), considered the possibility of suspending classes while isolated demonstrations took place in Merida.

It would have been the second time in less than 30 days that the ULA suspended activities for the same reason.

Since 10 March, when the so-called "pot-beating" took place in several Venezuelan cities, disturbances have been reported in Merida, including the burning of vehicles and efforts to loot stores. According to merchants, the disturbances caused losses worth $4.5 million.

On 12 March, students burned a beverage distribution truck during the demonstrations and confrontations with the police.

The incidents took place while Elena Frias, mother of Hugo Chavez Frias, leader of the thwarted coup attempt on 4 February, was visiting a local school as a guest of the student body.

Officials Combine To Form Anticorruption Group

PA1403171292 Caracas Venezolana de Television Network in Spanish 0000 GMT 14 Mar 92

[Text] The Anticorruption Front [Frente Contra la Corrupcion] was established on 13 March as Interior Affairs Minister Luis Pinerua Ordaz, Comptroller General Jose Ramon Medina, and Attorney General Ramon Escovar Salom held a working meeting for the first time at the headquarters of the Comptroller General's Office. Zaida Pereira filed this report:

[Begin recording] [Pereira] As he announced during his installation speech, new Interior Affairs Minister Luis Pinerua Ordaz met with the comptroller general and the prosecutor general. They announced implementation of concrete measures to fight administrative corruption. Thus, the executive branch will no longer remain passive toward the charges leveled by the organizations tasked with monitoring the activities of the public sector.

[Medina] You already know what the goal is: Create a front formed by three organizations, namely, the Comptroller General's Office, the Attorney General's Office, and the Public Prosecutor's Office head by new Interior

Minister Luis Pinerua Ordaz, to implement a genuinely positive, smooth, and dynamic action plan that will include a number of concrete measures to fight administrative corruption.

[Escovar] It is an important initiative because it will test the political will to implement actions. As attorney general of the Republic, I must admit that I have not yet ascertained the existence of such a political will. For the first time I see a minister—Interior Minister Pinerua—take an initiative. The government's willingness to cooperate will be tested because the comptroller general and I could do much, but it will be very difficult for us to reach our goals should we lack sufficient political support. The other important aspect involves the judicial branch—without the cooperation of the judicial branch it is impossible to fight corruption.

[Pinerua] The executive branch, which I will represent in this front, will no longer be a passive element and will become a protagonist; a determined protagonist in the anti-corruption struggle. As interior minister, I will be offering all the support the attorney general and comptroller general might need and will also help design mechanisms to allow us to conduct investigations leading to punishments of those involved in crimes against public property.

[Pereira] In the past, only the Comptroller General's Office and the Attorney General's Office prosecuted corruption charges. The Interior Affairs Ministry headed by Luis Pinerua Ordaz joined them on 13 March. [end recording]

Foreign Minister Favors Talks Over Gulf Dispute

PA1303194692 Caracas Venezolana de Television Network in Spanish 1550 GMT 13 Mar 92

[Text] Regarding the controversy with Colombia over the Gulf of Venezuela, Foreign Minister Humberto Calderon Berti stated that the territory completely belongs to Venezuela.

Calderon Berti stressed the best way to resolve the border problem is through direct negotiations.

[Begin Calderon recording] It has been Venezuela's historical and traditional policy to believe in bilateral talks. We must act in accordance with that decision of both the countries. It is the best option, because at this time when we are talking about regional integration, when we have so many things in common—economic and historical interests, and so forth—we must make a great effort to solve our problems directly. [end recording]